



CSR REPORT 2017

Contents

SMFG has not published a booklet version of CSR Report, instead disclosing information on our website. (In order to improve convenience, we post a PDF version of our website, what we call CSR report.)

This CSR Report reports on SMFG's overall CSR activities with the objective of clarifying the Group's concept of "fulfilling CSR as an integral aspect of management" and its efforts to put this concept into practice.

In addition, the Group has made innovative use of links to effectively guide readers to different areas within its CSR web pages in order to highlight the Group's characteristic initiatives and enable browsing according to purpose.

Looking ahead, the Group will focus on maintaining a dialogue with stakeholders by enhancing its communication activities.

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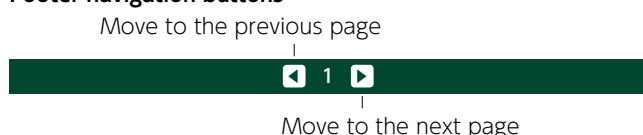
How to Use this Report

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

Header category tabs



Footer navigation buttons



Editorial Policy

CSR Website Editorial Policy

This website has been created for the purpose of communicating to stakeholders the roles played by the SMFG Group in helping to realize a sustainable society, as well as its initiatives. The website reports the SMFG Group's overall CSR initiatives so that stakeholders may understand that the Group views the practice of CSR as management itself as well as its practical initiatives.

The website compiles characteristic initiatives, including the latest examples, centering on policies, systems, and programs related to CSR at SMBC and the holding company SMFG. 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 CSR report is a PDF file version of this site and allows stakeholders to review the CSR initiatives of the SMFG 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 SMFG" or "SMFG," and the overall corporate group that includes the main Group companies is referred to as the "SMFG 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.
- Sumitomo Mitsui Card Company, Limited
- Cedyne Financial Corporation
- SMBC Consumer Finance Co., Ltd.
- The Japan Research Institute, Limited
- Other Group Companies (Sumitomo Mitsui Asset Management Company, THE MINATO BANK, LTD., Kansai Urban Banking Corporation)

Reporting period and other information

Reporting Period

The fiscal 2016 period, the 12-months from April 1, 2016 to March 31, 2017

*The Report contains additional information including certain up-to-date data as well as future prospects where considered October 2017.

Month of Issue

September 2017 (Previous issue: December 2016)

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 2015 CO₂ emissions by SMFG and its 10 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

Commitment from the Top



Social Responsibility Expected of a Global Financial Group

The Paris Agreement on measures to limit global warming took effect in November 2016, after being ratified by many nations, less than one year after its adoption. This development reflects the tremendous response that the international community has made to the rules that will affect the global environment and industrial policies. With respect to the New Sustainable Development Goals (SDGs), countries are increasingly committed to taking specific steps: for example, Japan set up an SDGs promotion office headed by the Prime Minister in May 2016.

The Paris Agreement sets forth the target of limiting the average global temperature rise in the second half of this century to under 2°C. The SDGs are a set of goals for 2030 that the entire global community pursues in regard to such global-level issues as poverty, education, and climate change. With comprehensive initiatives being needed, private-sector companies such as ourselves are also expected, more than ever, to make contributions to these goals through our core business.

SMFG has focused on CSR activities through financial services as a member of the global community, becoming a signatory to the United Nations Environmental Programme Financial Initiative (UNEP FI) in 2002 and participating in the United Nations Global Compact (UN GC), among others.

Initiatives to achieve the SDGs and Paris Agreement target going forward are expected to expand opportunities and markets for companies to provide new technologies and services. Given such societal changes, we believe that Our Mission of “We grow and prosper together with our customers, by providing services of greater value to them,” is how we will contribute to the achievement of the SDGs and Paris Agreement target and fulfill our social responsibilities as a global financial group.

Our Initiatives for Three Priority Issues

SMFG has identified three priority issues for our CSR activities: “Environment,” “Next Generation,” and “Community.” We conduct a range of initiatives to address global environmental issues through financial services and to contribute to the development of safe and secure communities that will allow the next generation to thrive.

In addressing “Environment,” we have established three core environmentally conscious actions: “reducing environmental impact,” “managing environmental risks,” and “promotion of environmental business.” These form the core of the environmental activities of our eight main Group companies, which have acquired the ISO 14001 international certificate for environmental management systems.

In particular, during the G20 Summit held in the city of Hangzhou, China, in September 2016, the Leaders’ Communique called for the scaling up of green financing, indicating a rising interest in, and the increasing importance of, environmental finance. SMBC conducts various environmental initiatives through its business activities, which include providing the SMBC Environmental Assessment Loan/Private Placement Bond to help clients in the area of environmental management; conducting assessments based on the Equator Principles, international guidelines for environmental and social considerations related to project finance; and issuing “green bonds,” which limit fund use to environment-related projects.

For the benefit of the “Next Generation,” we are leveraging our financial functions and knowledge to improve financial literacy in each age group and to further develop human resources and industries. Group companies provide financial and economic education in line with their line of business and give tours of their workplaces. We also provide scholarships to international students through domestic and overseas foundations set up by SMBC.

With regard to “Community,” we are carrying out initiatives to realize a safe, secure, and prosperous society, focusing primarily on the regions and fields in which we conduct business. In Japan, we conduct activities for elderly persons, persons with disabilities, and persons with cognitive impairment as a financial institution that our customers feel comfortable to use. In the areas of the Tohoku and Kumamoto regions that have been affected by earthquakes and other disasters, we conduct support activities that accord with various reconstruction stages and needs. We also support the Tokyo 2020 Olympic and Paralympic Games as a Gold Partner (in the bank category).

SMBC works with organizations involved in solving social issues in Japan and abroad, using a volunteer fund comprised of donations from its employees. Overseas, SMBC is engaged in addressing issues in emerging countries—providing job training in Indonesia and teacher training in Myanmar, among others.

Sustainable Growth for Society as a Whole and Increased Corporate Value

SMFG promotes initiatives for these three priority issues to create value for society, while working to increase the sophistication of the corporate infrastructure that forms the basis of all corporate activities.

To further enhance our governance system, we increased the number of our outside officers in accordance with the SMFG Corporate Governance Guideline created in fiscal 2015. We will make further integrated management efforts with SMFG playing a core role as a holding company. Specific steps include the change of our governance structure to a company with a nominating committee and the introduction of a CxO system and group-wide business units.

Moreover, in order to ensure that our employees can make the most of their abilities and individual characters, we will work to create resilient workplaces that can adapt to changing conditions. Specific steps include career support for female employees, measures to balance work with nursing care responsibilities, and the introduction of flexible working hours. To this end, each company under SMFG has set specific targets for improving its employees’ work-life balance. Our aim is to “become a global financial group that, by earning the highest trust of our customers, leads the growth of Japan and the Asian region.” As we fulfill this role, we will work for the sustained development of society as a whole and to raise our own corporate value. I thank you for your continuing understanding and support.

April 2017
Sumitomo Mitsui Financial Group, Inc.
Takeshi Kunibe
Director President (Representative Executive Officer)

Highlights of Our Initiatives for the Future

We have promoted initiatives centered on provision of financial services, aiming to realize a sustainable society where today and in the future people can live prosperous, vibrant lives.

However, modern society is facing various global issues, such as growing inequality, large-scale refugee movement, and climate change driven by global warming.

We are expected to contribute even further through corporations and businesses to solving these issues and passing on a better society to the next generation.

As a financial institution, we are expected to serve as a bridge to the future, working through the voluntary efforts of our employees to solve issues and providing financial services of even greater value. In doing so, we seek to grow together with all our stakeholders, now and in the future.

Here we introduce some of the initiatives that we have carried out with stakeholders, focusing on our three key themes of: Environment, Next Generation, and Community.

Our Commitments

➤ Commitment to the Environment

Here we introduce examples of our leading environmental initiatives through financial services and displaying our commitment to environmental preservation.

➤ Commitment to the Next Generation

Here we introduce examples of our initiatives to nurture the next generation, according to business format and region, displaying our commitment to the people, industries and others who will support the future.

➤ Commitment to the Community

Here we introduce examples of our initiatives to realize a safe and secure society, displaying our commitment to being a member of the community.

Commitment to the Environment



Our **three** key themes

Commitment to the Environment

- Toward the realization of a sustainable world that all can share -

SMFG Group's Commitment

With diverse organizations working to protect the global environment, private-sector companies are also playing an active role by developing environmentally conscious products, services and technologies.

For our part, we believe that moving forward together with customers by providing financial services that benefit the environment constitutes a way of contributing, as a bridge to the future, to the realization of a shared, sustainable world.

Installment Transactions for Hot Springs Binary Power Project

SMFL concluded a power facilities installment contract in June 2016 for a hot springs power generation project being conducted by Koyo Electric Co., Ltd. This represents SMFL's first involvement in geothermal power facilities, and there are very few examples of equivalent commercial transactions anywhere in Japan. The facility is located at the Obama Onsen in Nagasaki Prefecture and conducts binary power generation using untapped heat from the hot springs.

Binary power generation is possible even with heat that is less than the boiling point of 100°C, so hot springs heat can be effectively utilized. In addition, power can be generated in a stable manner 24 hours a day because it is not affected by the weather or climate, so the project is expected to serve as a base power source that is produced and consumed locally.

SMFL intends to contribute to the promotion of renewable energy produced and consumed locally in harmony with the region through leasing and installment transactions for geothermal, biomass, small-scale hydro and other renewable energy projects.

SMFL Sumitomo Mitsui Finance and Leasing Co., Ltd.

ESG Investment (Responsible Investment)

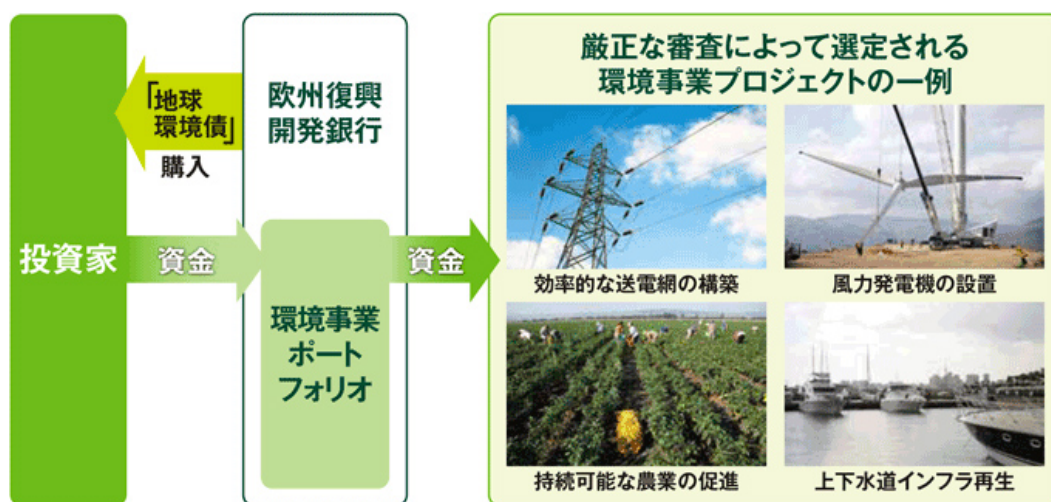
ESG investment is an investment method that considers not only an assessment of financials but also the environment, society and governance. Companies with a high rating from these three perspectives can be expected to grow in a sustained manner and so draw attention globally. In June 2016 SMBC Nikko became the first company in Japan to begin handling the Schroder Asia-Pacific Excellent Companies equity investment trust, which invests in equities in the Asia-Pacific region while incorporating an ESG perspective.



Environment Preservation through Investment

SMBC Friend Securities plans and sells products that allow clients through investment in securities to support businesses and projects that address environmental problems and other social issues.

One of the company's core products is Environmental Sustainability Bonds, which are issued to support environmental projects like natural energy development and reforestation. The company also works to provide information on support recipients, for example by introducing on its website environmental projects that have received financing.



Environmental Sustainability Bonds System

SMBC Friend Securities Green Fund

SMBC Friend Securities established the SMBC Friend Securities Green Fund in June 2015. The fund receives regular contributions of 100 yen from participating officers and employees that are deducted each month from their salaries, and then once a year a donation is made to an organization working in fields related to the environment. The contribution per individual is by no means large, but when large numbers of officers and employees continue to give, substantial support can be provided. In fiscal 2016, a donation was made to an organization conducting a project to replant a protective shoreline forest that was damaged in the tsunami of the Great East Japan Earthquake.



Reducing Environmental Impact through “Web Account Statement Service”

Mitsui Sumitomo Card encourages customers to switch to the “Web Account Statement Service,” which allows customers to view their statements online rather than receiving a paper version by mail, as a way for them to participate in environmental initiatives.



Issue of Chikyuni Yasashii Card for Environmental Contributions through Credit Cards

Cedyna 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, Cedyna 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.



Chikyuni Yasashii Card
(for mitigating global warming)

Promotion of eco-friendly business activities

SMBC Consumer Finance introduced a fully online service in November 2015 to allow all procedures, from applications to contracts, to be performed by customers online, which means they don't have to go to the post office or a bank branch. The service improves convenience for customers and also helps reduce consumption of paper and other resources.



In addition, the company is rigorously working to conserve energy and reduce use of paper resources by converting to LED at all nationwide Promise branches, participating in the Cool Biz and Warm Biz campaigns, holding major meetings without the use of paper, and digitizing documents used in internal approval procedures, among other activities. It is committed to earth-friendly business activities that reduce environmental impact.

やっぱりプロミス!

プロミスのWeb完結なら!

郵送物なし!

✕

We bでお申込み、ロフリ（口座振替）によるご返済を選択すれば、郵送物なしで契約完了! We b完結!!

※ご契約時に「ロフリ（口座振替）による返済」を選択いただく必要があります。

カードレスでWe b取引!

✕

- ✓ 紛失の心配なし!
- ✓ ご利用はWe bでOK!
- ✓ 安心・安全にご利用可能!

※カードレスでご契約後でも、お近くの店舗などでカードを発行いただけます。

Promise's Completely Online Services

Research Study on Financial Stability and Climate Change

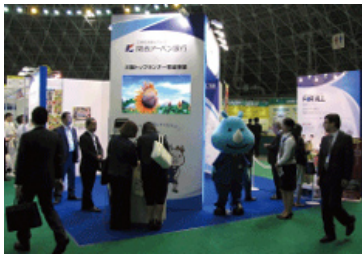
In May 2016, the Japan Research Institute issued the Research Study on Financial Stability and Climate Change, which lays out the potential impact of climate change on financial activities from the standpoint of financial stability to deepen understanding and identify future issues for consideration by the Japanese government and private-sector financial institutions (banks).



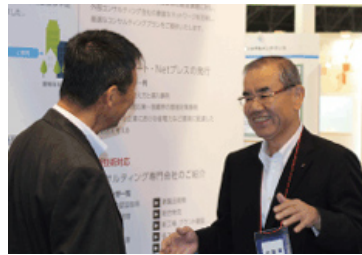
Participation in Biwako Environmental Business Exhibition

KUBC exhibited at the Biwako Environmental Business Exhibition 2016 held at the Nagahama Institute of Bio-Science and Technology Dome in October 2016 and displayed its environmental businesses, CSR and environmental protection activities and other initiatives.

The Biwako Environmental Business Exhibition 2016 is held to foster and promote environmental businesses guided by a basic philosophy of balance between business and the environment.



KUBC's booth



Products and services being presented by the president (right)

Local Greening Initiatives

KUBC promotes local greening activities by donating to elementary schools that wish to receive saplings through the KUBC Woods and Waters Fund. In May 2016, 230 gardenia saplings were donated. With this, since 1975, approximately 35,000 flowering cherry saplings and 56,000 tree saplings have been donated in total.



Commitment to the Next Generation



SMFG Group's Commitment

For the development of a sustainable society, it is essential that children, the bearers of the next generation, are raised and educated soundly, that new industries are created, and that healthy economic growth takes place in emerging countries and elsewhere.

For this to occur, a society must firmly pass on and utilize the wisdom, technologies and assets it possesses to support the growth of the next generation.

As a bridge to the future, we intend to maximize use of our network to create mechanisms for this.

Real Tech Fund: Support for R&D Ventures

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 environmental and human issues, lend further vitality to the Japanese economy and promote greater investment in Japan by providing comprehensive support in the form of people, goods and funds 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 environment and human issues, in fields such as robotics, biotechnology, the environment and energy, agriculture, new materials and IoT. It plans to conduct investment and development using ¥7.5 billion in funds contributed by private-sector companies from various industries.

For its first project, funds were invested in Miraikikai, Inc., which has developed a robot that cleans solar panels to raise solar power efficiency in the desert regions of the Middle East. As of July 2016, the fund has invested in 13 venture companies.



Held a Symposium for Revitalizing Japanese Agriculture with Next-Generation Technologies

The Japan Research Institute (JRI) held a symposium in January 2017 entitled, "Agriculture 4.0 – Feeding the Next Generation."

In recent years IoT and AI have been drawing attention in the field of agriculture as well, and R&D is being carried out on agricultural robots, self-driving tractors and more. It may be possible utilizing these new technologies to transform the problem of the declining farm labor population into new business opportunities.

The symposium featured a JRI presentation on the Agriculture 4.0 concept, in which agricultural professionals profit by utilizing IoT, along with discussion and debate with experts and industry members.



Support for Development of Programs for Advancing the Role of Women

SMBC promotes SMBC Nadeshiko Loans and Private Placement Bonds to assess and support initiatives that promote women's participation and advancement in the workplace.

SMBC Nadeshiko Loans and Private Placement Bonds are a financing product that assesses for customers their initiatives in support of the participation and advancement of women in the workplace based on standards created by SMBC and JRI and then provides support for the promotion of future initiatives. After funding is provided, JRI assesses initiatives that support women's workplace participation and advancement using a special assessment sheet, and this can then be used in promoting future activities.



Incubation & Innovation Initiative for Promoting Open Innovation in Japan

The Japan Research Institute launched the Incubation & Innovation Initiative, a business consortium of cross-sector alliances, together with SMBC in 2016. The initiative supports the commercialization of highly progressive technologies and business ideas that will serve as the foundation for Japan's growth strategy.

It 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.



"Hello! Money" Financial Education App

SMCC has released the "Hello! Money" money management learning tool app for parents and children as part of its efforts for financial education.

The app helps elementary school students manage their allowances. The app is provided free of charge and is intended to teach children the basics of personal finance by having them experience how money works from an early age. The app gives 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.





"Hello! Money" app screen

Parent-Child Financial Seminars at F. League Matches

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



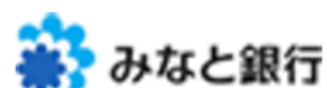
Finance and Economics Seminars for Forming a Sound Consumer Finance Market

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 18 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 10,000 times and over 630,000 people have participated (as of March 31, 2017).



Work Experience and Career Education Initiatives

In fiscal 2016, Minato Bank held classes for students interested in working at a company at three schools, Hyogo Prefecture Special Needs High School in July for 23 students, Kasai City Special Needs School in December for eight students, and Hyogo Prefectural Inamino School for Students and Children with Special Needs in February for 32 students. On the day of the class, a video created by the bank and actual bank passbooks and cash cards were used as



teaching materials, and the students conducted a number of practical activities, such as filling out the actual documents used to open a bank account. The bank also works to provide opportunities for students, the community's next generation, to learn practical business skills. For example, in October 2016, the bank sent instructors to University of Hyogo and conducted a class on pursuing a career in the local region.

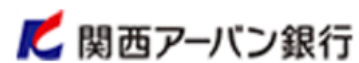


Class in progress at a special needs school

Initiatives for Development of the Next Generation

KUBC is involved in a variety of financial and economic education initiatives for people of all ages, from elementary school students to working adults.

The Lake Biwa hands-on environmental learning experience session in the summer vacation was held for the fourth time in 2016 for the purpose of instilling a sense of respect for the natural world among the children who will bear society's next generation, at Lake Biwa, known as the Mother Lake of the Kansai region. A total of 182 people have participated so far. Participants board an environmental learning boat and conduct water quality surveys and observe the lake's plankton, and then learn about the lake's ecosystem at the Lake Biwa Museum. The event provides an opportunity for parents and children to learn together about the environment.



Scenes from the learning experience session



ひわろ湖月のこと楽しく学べ水のきれいさや魚の観察も体験しました。
 あとこの1日のおかげでひわろの自然環境について考えることができました。
 ぼくは水質テストキットにしようと思いました。
 他の人にも水を大切に使うってほしいです。

Thoughts from a participant

Commitment to the Community



SMFG Group's Commitment

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.

Hold In-House Sales Events of Vocational Program Products

SMFL has held special sales since fiscal 2015 of vocational program products produced by the Setagaya Community Workshop and Cookie Studio Orangehouse. 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.

SMFL Sumitomo Mitsui Finance and Leasing Co., Ltd.



From the vocational program products sale

Support for Blind Soccer

Respecting diversity is one of the pillars of SMBC Nikko's management philosophy, and in agreement with the vision of the Japan Blind Football Association, which seeks to realize a society through blind soccer in which people with and without visual impairments interact with each other as a matter of course, the company has provided support since the 2014 World Championships, including for the IBSA Blind Football Asian Championships 2015. SMBC Nikko concluded a special partner agreement with the Japan Blind Football Association to solidify its ongoing support for blind soccer in 2015. Based on the agreement, the company provides comprehensive support, including for the association's training program for children with visual impairments, the Blind Soccer Academy, and in the form of sending volunteers to tournaments organized by the JBFA.



*IBSA: International Blind Sports Federation

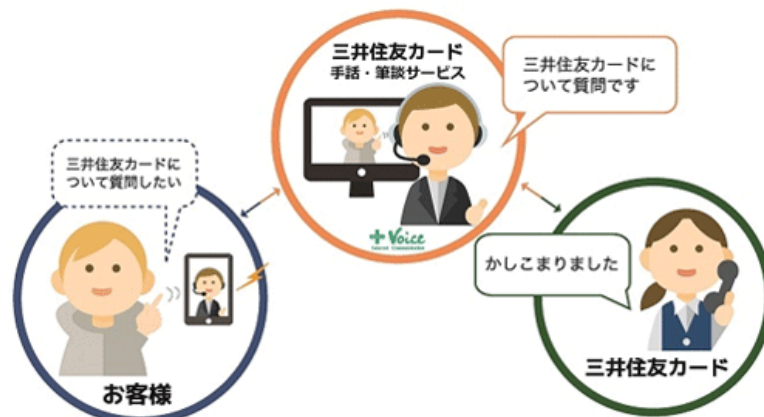
Nikko MiRun Normalization Training Initiative

SMBC Nikko established Nikko MiRun Inc. in April 2015 to create an environment that enables people with disabilities to work with confidence over a long period of time and to further increase opportunities for employment. The company was certified as a special subsidiary in January 2016, a first for a securities company. Since fiscal 2016, employees with and without disabilities have done agricultural work together as a part of a training program for facilitating understanding of normalization and to take down the psychological barriers people may have.



SMCC Sign Language and Written Inquiry Service

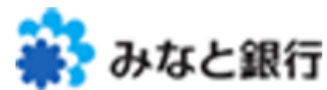
SMCC provides a service that enables customers with hearing or language impairments to consult with the company in sign language or through written messages. Partnering with PLUSVoice Co., Ltd., operators at PLUSVoice receive the customer's questions via video conferencing and the information they receive in sign language or through written messages is translated in real time to the SMCC operator via a voice call. The service makes questions and consultations more convenient for customers with hearing or speech difficulties.



Overview of Sign Language and Written Inquiry Service

Initiatives to Prevent Transfer Fraud

Banking fraud perpetrators are becoming more ingenious each year, so to prevent such fraud before it can cause any damage, we believe it is important for financial institutions to raise awareness while being constantly on the lookout. Minato Bank works with the Hyogo Prefectural Police to prevent damage from fraud such as transfer fraud before it can occur by screening an awareness-raising video at branches, holding seminars on transfer fraud countermeasures, and conducting other initiatives. The seminars have been held at 34 branches and approximately 460 people have participated. In addition, the bank also conducts other fraud prevention measures such as recommending use of personal checks when senior citizens and other customers withdraw large sums of cash.



Regional Revitalization via Journey of Japan Web Media for Foreign Tourists

Kumamoto Prefecture, which is rebuilding from the 2016 Kumamoto Earthquakes, is a region with many attractive sights and features, including magnificent, natural hot springs with a great deal of character, delicious food, history and culture. To give the prefecture further encouragement by conveying its appeal and drawing in foreign tourists in larger numbers, SMCC began conducting tourism promotion initiatives in February 2017 utilizing Journey of Japan, a platform aiming to contribute to regional revitalization.



Journey of Japan is Web media started by SMCC that provides information on affiliated credit card merchants, tourism sights and more to foreign tourists. SMCC will continue contributing to regional revitalization by working to further enhance Journey of Japan through alliances with municipalities throughout Japan.



Overview of Alliances

Supporting Kumamoto Through Credit Card Use

SMCC issues the Kumamoto Card (VISA), which has a function for supporting Kumamoto Prefecture. As a credit card for social contribution, a portion of the revenue from the card is donated by SMCC to the Kumamoto "Hometown Tax" program.



Social Contribution Through Credit Card Use

Cedyna also issues a credit card for social contribution for conducting social contribution activities through its credit card operations together with cardholders. When card members use their cards, a portion of the money spent is donated to organizations at no cost to the card member. The Atom Card issued since 2003 makes ongoing donations to charities that conduct activities that qualify as "activities that make children's dreams come true" and "activities that help children," and a cumulative total of approximately ¥48.0 million has been donated. (As of June 30, 2017)



Atom Card

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

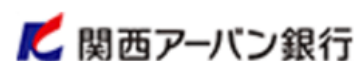
SMBC Commercial Finance has co-sponsored the Promise Essay Contest held by the Sankei Shimbun since the first time it was held in 1996. The contest was started based on the idea of re-examining life and the importance of human relationships in contemporary society and reaffirming the importance of promises. The contest solicits essays on promises, whether promises to oneself, promises to loved ones, or promises for the future. Over 5,000 essays are submitted each year from students and others in a wide range of age groups. In 2016, an international division was established for people of non-Japanese nationalities living in Japan.



[Promise Essay Contest Website](#)
(Japanese only)

Urban Evening Concerts

KUBC holds the Urban Evening Concert series in the lobby of its Shinsaibashi head office branch to give the community an opportunity to conveniently experience classical music. The 100th concert was held in October 2016, and over 7,500 people have attended thus far. Christmas concerts are also held in December at the head office branch and Biwako headquarters.



For further details, please refer to the following websites.

 [KUBC: Community Support Initiatives \(Japanese only\)](#)



Head office branch
(Evening concerts)



Biwako headquarters
(Christmas concerts)

CSR at SMFG

Contributing to the Sustainable Development of Society (SMFG Group)

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

Basic CSR Policies (SMFG Group)

SMFG has a CSR definition and CSR “business ethics” to make the position of CSR clear and promote CSR effectively.

SMFG’s Definition of CSR

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

SMFG’s Group-wide CSR Philosophy: “Business ethics”

1. Satisfactory Customer Services

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

2. Sound Management

We intend to be a financial services group that maintains fair, transparent, and sound management based on the principle of self-responsibility.

For this purpose, along with earning the firm confidence of our shareholders, our customers, and the general public, we take a long-term view of our business and operate it efficiently, and actively disclose accurate business information about the Group. Through these activities, we work to maintain continued growth based on a sound financial position.

3. Contributing to Social Development

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

4. Proactive and Innovative Corporate Culture

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

5. Compliance

We intend to be a financial services group that always keeps in mind the importance of compliance.

For this purpose, we reflect our awareness of Business Ethics in our business activities at all times. In addition, we respond promptly to directives from auditors and inspectors. Through these actions, we observe all laws and regulations, and uphold moral standards in our business practices.

Integral Development of CSR and Business Activities (SMFG Group)

The SMFG Group believes that CSR is the foundation for SMFG Group's business strategies which should be integrally incorporated with business strategies for achieving the management policies and goals. In another words, it is the concept that we consistently verify and confirm according to the basic policy of CSR whether the direction of our business strategies promoted by our Group corresponds with our vision in 10 years of "we will become a global financial group that, by earning the highest trust of our customers, leads the growth of Japan and the Asian region"; and then, we reflect the needs of clients and society in our CSR activities.

We believe that fulfillment of our CSR lies at the very core of our management task, and seriously committing to the implementation of CSR would be the shortest and quickest way to achieve our management policies and goals.

CSR Management

CSR Promotion Structure and the PDCA Cycle (SMFG Group)

We have established the CSR Committee, chaired by the SMFG Group CSO and administered by the CSR Department, to assess the CSR implementation plans of the whole Group, and manage progress.

Specifically, departments are assigned responsibility for each target, and the CSR Department and assigned departments jointly conduct annual reviews of progress made in these initiatives. The results of these reviews are reported to the CSR Committee.

Additionally, there are cases where initiatives are handled by individual CSR category. For example, the customer satisfaction (CS) policies of each SMFG company are pursued jointly, and the successful measures are rolled out horizontally across the Group organization, with the Group CS Committee as the main body engaged in improvement of CS and quality.

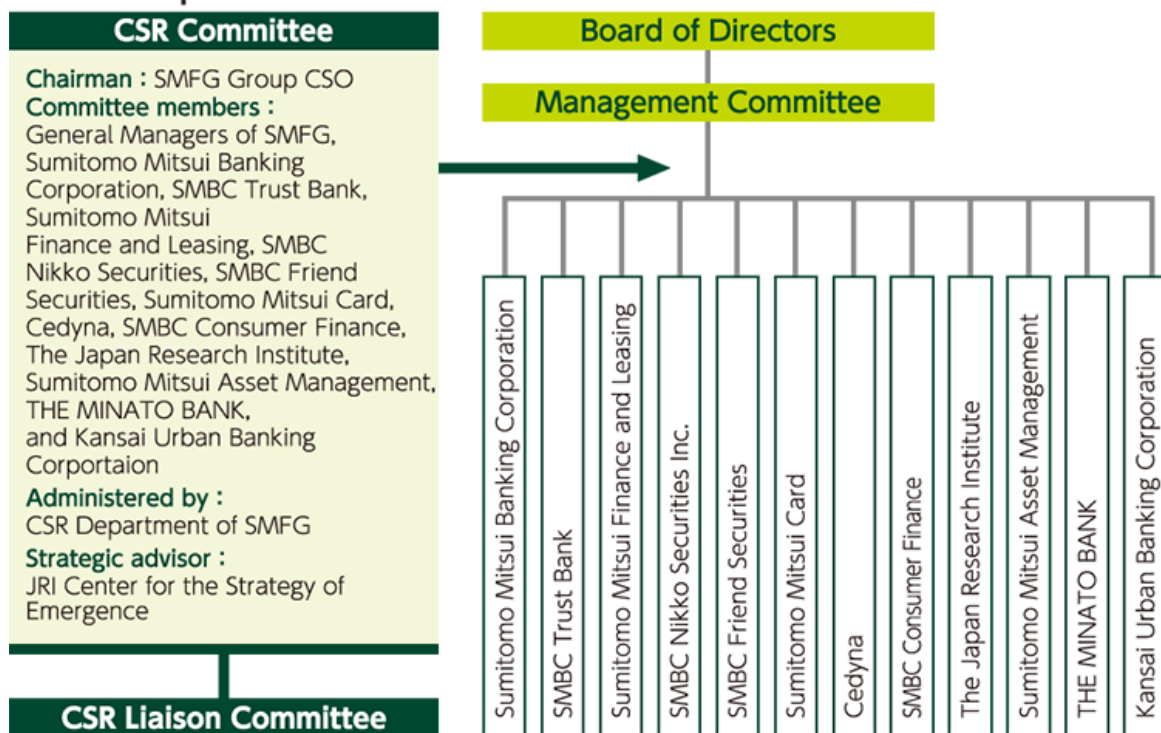
In measures to reduce environmental impact, the SMFG and eight principal SMFG companies have obtained the international environmental management standard ISO 14001, and follow the procedures of Plan, Do, Check, and Act (PDCA) cycle for such environmental activities.

To further strengthen promotion of CSR activities across the Group, SMFG established the CSR Liaison Committee in fiscal 2010. This Committee regularly engages in discussion and consultation to encourage Group-wide implementation of policies and successful initiatives of individual Group companies.

For details regarding information on the Group's CSR goals and performance, please refer to the following link.

➤ [CSR Performance and Goals](#)

SMFG CSR promotion structure



Groupwide CSR-related organizations

CSR Committee	Conducts consultation, etc. on CSR-related matters affecting the whole Group
CSR Liaison Committee	The CSR Liaison Committee exchanges information regarding progress in CSR promotion at individual Group companies, and closely studies particularly progressive measures.

CSR Training Tailored to Employee Grades (SMBC)

SMBC organizes training courses tailored to employee grade, including new hires and newly appointed management employees. When such training is given, CSR is included to ensure full employee familiarization. In fiscal 2016, a total of 2,550 employees took part in these training programs.

In addition, training and other support are also given under the full range of CSR themes, including human rights, putting the customer first, compliance, anti-money laundering, and diversity.

(Training recipients)

Fiscal year	Training for new hires	Training for newly appointed management employees	Training for newly appointed branch managers	Training for mid-career hires on joining SMFG	Total
2011	709	407	126	0	1,242
2012	833	417	189	8	1,447
2013	1,151	349	170	6	1,676
2014	1,343	424	238	38	2,043
2015	1,837	529	154	22	2,542
2016	1,921	389	135	105	2,550

Participation in Initiatives and Reference Guidelines

Support for Initiatives in Japan and Overseas (SMFG Group)

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

1. 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.

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.”

SMFG 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 SMFG's initiatives on the SDGs.



➤ [Key Priority Issues for SMFG](#)

2. UNEP Finance Initiative (UNEP FI)

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



3. 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.



4. Equator Principles

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



➤ [Working with the Equator Principles](#)

5. 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 January 1st, 2017, the principles had been signed by 250 financial institutions, including from SMFG SMBC, Sumitomo Mitsui Finance and Leasing, SMBC Nikko Securities, SMBC Friend Securities, Minato Bank, Kansai Urban Banking Corporation, and Japan Net Bank. SMBC has participated since fiscal 2012 as a steering member for the Steering Committee for the principles.

Guidelines Used for Reference (SMFG Group)

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

ISO26000

This is the “guidance document” with respect to social responsibilities. 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 CSR Liaison Committee, comprising departments responsible for CSR 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 evaluated their own activities.

Please refer to the following link for information about SMFG’s CSR promotion system, including the CSR Liaison Committee.

➤ [CSR Promotion System and PDCA Cycle \(SMFG Group\)](#)

GRI Guidelines

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

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

SMFG and its Group companies support 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.

For further information on the guidelines, please refer to the following link.

[➤ Guideline Comparison Table](#)

Working with the Equator Principles

Background to SMBC's adoption of the Equator Principles (SMBC)

Large-scale development projects may have significant impacts on society and the environment; therefore, international civil society requires financial institutions to assess the environmental and social impacts of projects when providing financial support. Financial institutions often encounter environmental and social issues that are both complex and challenging, with respect to projects in both emerging countries and developed countries.

SMBC, as a member of Sumitomo Mitsui Financial Group (SMFG), assigns a high management priority to environmental issues. Our Group Environmental Policy sets out SMFG's basic action guidelines. As the policy's basic concept recognizes the importance of realizing a sustainable society, SMFG is making continuous efforts to harmonize environmental preservation and corporate activities, in order to support the economy and contribute to the general well-being of society as a whole.

In line with this policy, SMBC adopted the Equator Principles in December 2005 and established the Environment Analysis Department (ENAD) within the International Banking Unit in January 2006 in order to not only ensure that the projects we finance are developed in a manner that is socially and environmentally responsible but to also fulfill SMBC's corporate social responsibility (CSR) and provide high quality financial services across the globe.

We are confident that the adoption of and the compliance with the Equator Principles will provide significant benefits to ourselves and various stakeholders such as our borrowers and local communities.

What are the Equator Principles? (SMBC)



The Equator Principles are a set of guidelines developed by private financial institutions for managing environmental and social risks related to financing large-scale development projects. The Equator Principles apply to project finance*1 transactions, project-related corporate loans and bridge loans that are intended to be refinanced to project finance or corporate loans, regardless of the country or the sector.

The Equator Principles are based on the environmental and social policies and guidelines of International Finance Corporation (IFC), the private sector arm of the World Bank. These policies and guidelines cover a variety of issues such as the environmental and social impact assessment process, pollution prevention, consideration of local communities and natural resources.

Financial institutions that adopt the Equator Principles are required to establish their own internal environmental and social guidelines and procedures in accordance with the Equator Principles, and to conduct environmental and social risk assessment.

The Equator Principles Association is an unincorporated association of member Equator Principles Financial Institutions whose object is the management, administration, and development of the Equator Principles. As of the end of May 2017, 90 financial institutions have adopted the Equator Principles. For details, please visit the Equator Principles' official website.

 **Equator Principles**

SMBC, along with other Equator Principles Financial Institutions, is striving to improve the content of the Equator Principles and to enhance other Financial Institutions' understanding on the Equator Principles especially in Asia. Also, SMBC is participating in discussions considering the long-term strategy of the Equator Principles and their future improvement.

Among other Equator Principles Working Groups, SMBC is a member of the following Working Groups;

- Equator Principles Regional Outreach (Asia & Oceania) Working Group, which encourages development of the Equator Principles in emerging countries
- External Relations Working Group, which builds relationships with external parties
- Consistency Working Group, which works to improve the consistency of Equator Principles implementation
- Climate Change Working Group, which works to share good practice in climate risk management practice

*1 Project finance is a method of funding in which the lender looks primarily to the cashflows generated by a project as the source of repayment, and it is different from corporate finance in which the lender looks mainly to the creditability or collateral of the borrower.

SMBC published the first practical guidebook published in Japan on the Equator Principles together with the Bank of Tokyo-Mitsubishi UFJ and Mizuho Bank. This book explains the contents of each principle, as well as the activities of the Equator Principles Association, and other Export Credit Agencies' frameworks on environmental and social considerations.

SMBC's approach to the Equator Principles (SMBC)

Establishment of Internal Procedures

Since its establishment in January 2006, ENAD has made efforts to establish its own internal procedures and has completed the Procedures for Environmental and Social Risk Assessment (the "Procedures"). The Procedures set the internal policy and procedures for environmental and social risk assessment in accordance with the Equator Principles, and ENAD started their implementation in June 2006. And the Procedures have been revised as required, such as revision in line with the update to Equator Principles III.

Risk Assessment Structure and Process

ENAD is responsible for SMBC's overall operations in relation to environmental and social risk assessment for transactions subject to the Equator Principles all over the world. The risk assessment process is summarized as follows:

1.Environmental Screening

When considering financing for large-scale development project related loans that are subject to the Procedures, the lending branch will submit the Environmental Screening Form to ENAD. The Environmental Screening Form is a checklist to understand the potential environmental and social impacts of the project. Based on the Environmental Screening Form and related information, ENAD categorizes the project as one of the following:

Category	Definition
Category A	Projects with potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible or unprecedented
Category B	Projects with potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible or unprecedented
Category C	Projects with minimal or no adverse environmental and social risks and/or impacts

2.Environmental Review

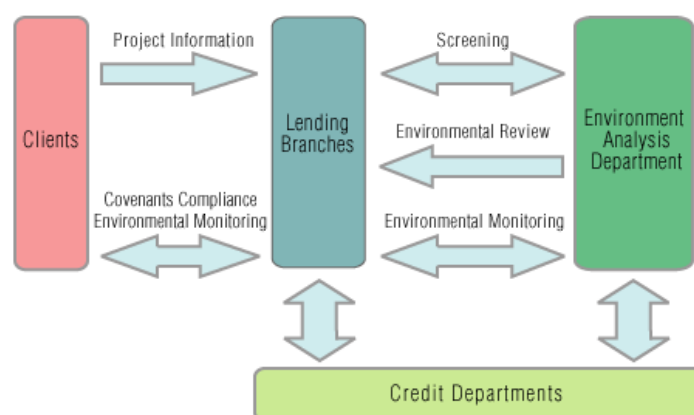
ENAD confirms that projects meet the requirements of the Equator Principles by Category and if needed, conducts site visits. Also, for all category A and B projects, ENAD prepares an Environmental Review Sheet based on our original sector checklists.

The Environmental Screening Form and the Environmental Review Sheet which reflect the results of the environmental and social risk assessments, are shared with the Credit Department and this information becomes an important factor in the credit approval process.

3.Environmental Monitoring

Based on the result of environmental screening and environmental review, covenants to be observed by the client with respect to the environmental and social considerations are included in the financing documents. The lending branch and ENAD monitor the client's compliance with these covenants to ensure ongoing consideration of environmental and social issues.

< Flow Chart of Environmental and Social Risk Assessment in SMBC >



Training and Dissemination of Information

ENAD has been conducting internal training such as group training in our overseas offices, online training and seminars by external consultants to help related officers understand the established environmental and social procedures. Since ENAD was established, over 1,850 officers and employees including senior management, employees from front, credit, audit and CSR departments have attended the training. In addition, to improve our capability on an ongoing basis, ENAD issues newsletters and reports sharing the latest trends on the global environment and noteworthy environmental and social risks.

Transactions Subject to the Equator Principles (SMBC)

Transactions subject to the Equator Principles (EP Ⅲ) in 2016 are explained here.

- 1) Total number of Project Finance transactions (by Category)
- 2) Total number of Project Related Corporate Loans (by Category)
- 3) Total number of Project Finance Advisory Services

1. Project Finance Transactions

The table below shows a breakdown of the 64 transactions closed in 2016.

	Total Number of projects by Category		
	Category A	Category B	Category C
	6	48	10
	Breakdown of Projects by Category		
Sector	Category A	Category B	Category C
Mining	0	0	0
Infrastructure	2	10	7
Oil & Gas	1	4	0
Power	3	32	0
Others	0	2	3
Region	Category A	Category B	Category C
Americas	3	17	6
Europe/Middle East/Africa	1	12	3
Asia & Pacific	2	19	1
Country classification	Category A	Category B	Category C
Designated Country	1	39	10
Non-Designated Country	5	9	0
Independent Review	Category A	Category B	
Implemented	6	40	
Not implemented	0	8	

2. Project Related Corporate Loans

The table below shows a breakdown of the 10 transactions closed in 2016.

	Total Number of projects by Category		
	Category A	Category B	Category C
	2	5	3
	Breakdown of Projects by Category		
Sector	Category A	Category B	Category C
Mining	0	0	0
Infrastructure	0	0	0
Oil & Gas	1	3	0
Power	1	2	0
Others	0	0	3
Region	Category A	Category B	Category C
Americas	0	1	2
Europe/Middle East/Africa	1	2	0
Asia & Pacific	1	2	1
Country classification	Category A	Category B	Category C
Designated Country	0	1	2
Non-Designated Country	2	4	1
Independent Review	Category A	Category B	
Implemented	2	4	
Not Implemented	0	1	

3. Finance Advisory Transactions

The table below shows a breakdown of the 12 advisory transactions mandated in 2016.

	Total Number of Projects by Sector
	12
	Breakdown of Projects by Sector
Sector	
Mining	1
Infrastructure	4
Oil & Gas	4
Power	3
Others	0
Region	
Americas	5
Europe/Middle East/Africa	3
Asia & Pacific	4

What we have done till now (SMBC)

Activities	What we have done till now
Establishment of internal environmental and social risk assessment process	<ul style="list-style-type: none"> Developed the Procedures for Environmental and Social Risk Assessment Incorporated the revised Equator Principles into the Procedures Prepared the sector checklists
Implementation of environmental and social risk assessment	<ul style="list-style-type: none"> Reported the results of environmental and social risk assessment to management and shared the information with the relevant departments Conducted site visits in the environmental review and monitoring process

Activities	What we have done till now
Internal training and ongoing improvement	<ul style="list-style-type: none"> Conducted training for related departments Provided online training for domestic and overseas departments to disseminate knowledge of the Procedures Provided updated and related information through newsletters Participated in international and domestic conferences and seminars on environmental and social risk assessment, to reflect internal operation
Encouragement of understanding of the Equator Principles	<ul style="list-style-type: none"> Spoken at CSR or environmental seminars and conferences on the Equator Principles Given lectures on environmental and social risk to universities Introduced the Equator Principles and SMBC's experiences to business partners all over the world Held an environmental seminar for our corporate clients, inviting experts on environmental risk management Published a practical guidebook on implementation of the Equator Principles in Japanese

Future Perspective and Focus (SMBC)

- To keep updating our environmental and social risk assessment operation by incorporating international best practices
- To enhance awareness of environmental and social risk assessment with continued training for all related officers and employees
- To enhance awareness of environmental and social considerations among project stakeholders including financial institutions and borrowers through SMBC's active participation in improving the content of the Equator Principles, and in encouraging development of the Equator Principles by working together with other Equator Principles financial institutions.

SMBC will endeavor to realize a sustainable society through its environmental and social considerations of the projects it takes part in.

For details regarding Initiatives for managing environmental risks, please see the link below.

[➤ Management of Environmental Risks](#)

CSR Performance and Goals

SMFG and its Group companies work diligently to bolster CSR activities across the entire Group as a comprehensive financial services group.

SMFG's CSR activity performance in fiscal 2016 and its goals in fiscal 2017 are presented below.

For details regarding CSR activity performance and goals of SMFG companies, please refer to following website.

➤ [CSR Activity Performance and Goals of SMFG Companies](#)

Sumitomo Mitsui Financial Group

Topic	Performance in Fiscal 2016	Goals for Fiscal 2017
The Environment	<ul style="list-style-type: none"> ▪ Promoted environmental businesses <ul style="list-style-type: none"> - Promoted environmental business at each company in accordance with business type ▪ Addressed environmental risk <ul style="list-style-type: none"> - Continued holding seminars on financial stability and climate change ▪ Reduced environmental impact <ul style="list-style-type: none"> - Completed new ISO 14001 certification (made manuals) - Obtained new third-party verification of environmental data through an outside certification organization and rebuilt the data collection system - Conducted volunteer activities including cleanups and tree-planting ▪ Distributed environmental information <ul style="list-style-type: none"> - Exhibited at EcoPro2016 environmental exhibition - Exhibited at the 10th Eco-Products International Fair (EPIF), an international environmental exhibition (Thailand) - Published Vol. 2 of "SAFE," an environmental magazine, and "JUNIOR SAFE," an environmental magazine for children 	<ul style="list-style-type: none"> ▪ Promote environmental businesses <ul style="list-style-type: none"> - Promote environmental business at each company in accordance with business type ▪ Address environmental and social risk <ul style="list-style-type: none"> - Review human rights risk assessments and management methods regarding environmental and social risk assessments ▪ Reduce environmental impact <ul style="list-style-type: none"> - Prepare for compliance with the new ISO 14001 standard - Consider expanding acquisition base related to third-party verification acquisition - Conduct volunteer activities including cleanups and tree-planting ▪ Distribute environmental information <ul style="list-style-type: none"> - Exhibit at EcoPro2017 environmental exhibition - Exhibit at the 11th Eco-Products International Fair (EPIF), an international environmental exhibition (Vietnam) - Continue to publish "SAFE," an environmental magazine, and "JUNIOR SAFE," an environmental magazine for children

Topic	Performance in Fiscal 2016	Goals for Fiscal 2017
Next Generation	<ul style="list-style-type: none"> • Financial and economic education <ul style="list-style-type: none"> - Conducted trial bookkeeping lessons, started collaboration with the Tokyo Metropolitan Government • Support child-raising and learning <ul style="list-style-type: none"> - Donated to NPOs that support child-raising and families facing illness or poverty and conduct volunteer activities 	<ul style="list-style-type: none"> • Financial and economic education <ul style="list-style-type: none"> - Promote integration through sharing expertise among Group companies and testing collaboration programs • Support child-raising and learning <ul style="list-style-type: none"> - Donate through volunteer funds to NPOs that support child-raising and families facing illness or poverty and continue volunteer activities
Community	<ul style="list-style-type: none"> • Local contribution activities by employees <ul style="list-style-type: none"> - Continued supporting recovery after the Great East Japan Earthquake - Supported recovery after the Kumamoto earthquakes • Work to solve social problems in partnership with other organizations <ul style="list-style-type: none"> - Over 9,300 people participated in volunteer activities - Started programs related to sports for people with disabilities in collaboration with the Tokyo Metropolitan Government • Creating safe and secure branches <ul style="list-style-type: none"> - Conducted training to provide cognitive disorder supporters and care service assistants to about 13,000 - Conducted a cognitive disorder questionnaire at the Japanese Bankers Association 	<ul style="list-style-type: none"> • Local contribution activities by employees <ul style="list-style-type: none"> - Select activity field depending on disaster area needs and support recovery • Work to solve social problems in partnership with other organizations <ul style="list-style-type: none"> - Conduct volunteer activities on an SMFG Group basis in collaboration with NPOs, etc., and focus on expanding our range of participation • Creating safe and secure branches <ul style="list-style-type: none"> - Continue to conduct training for cognitive disorder supporters and care service assistants - Consider expanding community collaboration related to cognitive disorder response
Management Base	<ul style="list-style-type: none"> • Promoted corporate governance • Conducted dialogue with stakeholders • Effectively disclosed non-financial information <ul style="list-style-type: none"> - Issued an integrated report - Set up a new website for ESG investors • Promote work style reform and diversity <ul style="list-style-type: none"> - Conducted various initiatives, including holding Universal Manners training 	<ul style="list-style-type: none"> • Promoted corporate governance <ul style="list-style-type: none"> - Continue collaboration and dialogue in partnership with stakeholders • Effectively disclosed non-financial information <ul style="list-style-type: none"> - Consider expanding disclosure to improved ESG assessment • Promote work style reform and diversity <ul style="list-style-type: none"> - Conduct various initiatives, including holding Universal Manners training

CSR Activity Performance and Goals of SMFG Companies

Performance in Fiscal 2016 and Goals for Fiscal 2017 of SMFG group companies are as listed below.

Sumitomo Mitsui Banking Corporation (SMBC)

Topic	Performance in Fiscal 2016	Goals for Fiscal 2017
The Environment	<ul style="list-style-type: none"> • Promote environmental businesses <ul style="list-style-type: none"> - Total assessment-based financing surpassed ¥1.7 trillion • Addressed environmental risk <ul style="list-style-type: none"> - Responded to information requests of Task Force on Climate-related Financial Disclosures (TCFD) • Reduced environmental impact <ul style="list-style-type: none"> - Prepared response to new ISO 14001 standard - Conducted cleanup activities, tree-plantings and other volunteer activities • Distributed environmental information <ul style="list-style-type: none"> - Exhibited at the 10th Eco-Products International Fair (EPIF), an international environmental exhibition (Thailand) 	<ul style="list-style-type: none"> • Promote environmental businesses <ul style="list-style-type: none"> - Promote use of environment-related products • Addressed environmental risk <ul style="list-style-type: none"> - Continue responding to TCFD • Reduced environmental impact <ul style="list-style-type: none"> - Fully address compliance with new ISO 14001 standard - Continue conducting cleanup activities, tree-plantings and other volunteer activities • Distributed environmental information <ul style="list-style-type: none"> - Exhibit at the 11th Eco-Products International Fair (EPIF), an international environmental exhibition (Vietnam) - Exhibit at Japan-China Green Expo 2017
Next Generation	<ul style="list-style-type: none"> • Financial and economic education <ul style="list-style-type: none"> - Start partnership with Cabinet Office's "Fund to Support Children's Future" - Conducted outreach classes at schools and financial and economic education for elementary school students • Initiatives to address local issues overseas <ul style="list-style-type: none"> - Promoted CSR in Indonesia with local partners - Started teacher training program in Myanmar 	<ul style="list-style-type: none"> • Financial and economic education <ul style="list-style-type: none"> - Strengthen initiatives with the government - Continue promoting financial and economic education for wide range of age groups • Initiatives to address local issues overseas <ul style="list-style-type: none"> - Expand activities scope and partners in Indonesia - Expand teacher training program in Myanmar - Promote other CSR activity partnerships in Asian region

Topic	Performance in Fiscal 2016	Goals for Fiscal 2017
Community	<ul style="list-style-type: none"> ▪ Local contribution activities by employees <ul style="list-style-type: none"> - Continued supporting recovery after the Great East Japan Earthquake - Supported recovery after the Kumamoto earthquakes ▪ Work to solve social problems in partnership with other organizations <ul style="list-style-type: none"> - Started sports-related program for people with disabilities in partnership with the Tokyo Metropolitan Government, etc. - Started partnership with Cabinet Office's "Fund to Support Children's Future" ▪ Create safe and secure branches <ul style="list-style-type: none"> - Conducted training to provide cognitive disorder supporters and care service assistants to about 13,000 - Conducted a cognitive disorder questionnaire at the Japanese Bankers Association 	<ul style="list-style-type: none"> ▪ Local contribution activities by employees <ul style="list-style-type: none"> - Select activity field depending on disaster area needs and support recovery ▪ Work to solve social problems in partnership with other organizations <ul style="list-style-type: none"> - Conduct volunteer activities on an SMFG Group basis in collaboration with NPOs, etc., and focus on expanding our range of participation - Strengthen coordination in initiatives with government ▪ Create safe and secure branches <ul style="list-style-type: none"> - Continue to conduct training for cognitive disorder supporters and care service assistants - Consider expanding community collaboration related to cognitive disorder response
Management Base	<ul style="list-style-type: none"> ▪ Promote corporate governance <ul style="list-style-type: none"> - Conducted dialogue with stakeholders ▪ Effectively disclose non-financial information <ul style="list-style-type: none"> - Issued integrated report - Set up a new website for ESG investors ▪ Promote work style reform and diversity <ul style="list-style-type: none"> - Conduct various initiatives, including holding Universal Manners training 	<ul style="list-style-type: none"> ▪ Promote corporate governance <ul style="list-style-type: none"> - Continue collaboration and dialogue in partnership with stakeholders ▪ Effectively disclose non-financial information <ul style="list-style-type: none"> - Consider expanding disclosure to improved ESG assessment ▪ Promote work style reform and diversity <ul style="list-style-type: none"> - Conduct various initiatives, including holding Universal Manners training

SMBC Trust Bank (SMBCTB)

Topic	Performance in Fiscal 2016	Goals for Fiscal 2017
The Environment	<ul style="list-style-type: none"> • Promoted further expansion and use of renewable energy via solar power • Energy savings <ul style="list-style-type: none"> - Implemented Cool Biz summer dress code 	<ul style="list-style-type: none"> • Continue support for further expansion and use of solar power in business sectors as well • Energy savings <ul style="list-style-type: none"> - Implement Cool Biz summer dress code with group companies
Next Generation	<ul style="list-style-type: none"> • Support for young artists <ul style="list-style-type: none"> - Displayed student artwork in offices - Held concerts with young performers 	<ul style="list-style-type: none"> • Continue support for young artists <ul style="list-style-type: none"> - Change artwork displayed in offices on regular basis - Provide more opportunities for performing at concerts
Community	<ul style="list-style-type: none"> • Participation in SMFG Group coordinated CSR activities <ul style="list-style-type: none"> - Volunteer Activities for the areas affected by the Great East Japan Earthquake • Donations to disaster-affected regions <ul style="list-style-type: none"> - Provided donations for Kumamoto Earthquake • Diversity <ul style="list-style-type: none"> - Supported sports for people with disabilities (goalball) - Donated to sports organizations for people with disabilities - Co-sponsored FIT Charity Run • Reinforcement of branch services for foreign customers <ul style="list-style-type: none"> - Established global branch • Donation to school meal programs 	<ul style="list-style-type: none"> • Continued volunteering with SMFG • Diversity <ul style="list-style-type: none"> - Strengthen promotion of goalball • Enhance specific services for foreign customers <ul style="list-style-type: none"> - Enhance services for foreign customers not only at branches but also through English-ready call centers and online banking • Continued donations to school meal programs
Management Base	<ul style="list-style-type: none"> • Promotion of work style reform 	<ul style="list-style-type: none"> • Continued promotion of work style reform

Sumitomo Mitsui Finance and Leasing (SMFL)

Topic	Performance in Fiscal 2016	Goals for Fiscal 2017
The Environment	<ul style="list-style-type: none"> • Social awareness-raising about environmental activities <ul style="list-style-type: none"> - Support for the EARTH PHOTO CONTEST • Promote environmental preservation activities <ul style="list-style-type: none"> - Reduced electricity use - Continue promoting renewable energy business centering on solar power and purchase used equipment 	<ul style="list-style-type: none"> • Promote environmental businesses <ul style="list-style-type: none"> - Promote renewable energies other than solar, including wind, biomass, geothermal, and small hydro - Promoted power-saving investment utilizing subsidies • Maintain ISO 14001 certification <ul style="list-style-type: none"> - Introduce confirmation tests to further raise environmental awareness • Reducing Environmental Impact <ul style="list-style-type: none"> - <Electricity use> Maintain usage level of previous year (reduce electricity use by promoting reduced overtime) - <Paper use> Work for reduction to 50% of FY2010 (utilizing paper use statistics tools, raising awareness via postings, etc.)
Next Generation	<ul style="list-style-type: none"> • Employee training <ul style="list-style-type: none"> - Further expand level-based training and career development - Built e-learning system for NS education • Enhance Financial Literacy <ul style="list-style-type: none"> - Participated in university chair endowment - Continued conducting financial classes in Indonesia 	<ul style="list-style-type: none"> • Human Resource Training by Overseas Offices <ul style="list-style-type: none"> - Continue holding joint NS training with SMBC - Enhance e-learning content • Expansion of agriculture/forestry/fisheries business <ul style="list-style-type: none"> - Establish promotion system with dedicated organization (agriculture/forestry/fisheries business office) • Development of regional revitalization business <ul style="list-style-type: none"> - Enhance regional revitalization business centering on tourism and agriculture • Initiatives Promoting Enhanced Financial Literacy <ul style="list-style-type: none"> - Continue to participate in university chair endowment - Conduct financial classes at police academy in Indonesia

Topic	Performance in Fiscal 2016	Goals for Fiscal 2017
Community	<ul style="list-style-type: none"> ▪ Maintenance and enhancement of healthcare environment <ul style="list-style-type: none"> - Continued medical equipment leasing - Continued domestic sales of used medical equipment; developed system for overseas sales ▪ Promoted social contribution activities <ul style="list-style-type: none"> - Held six sales of vocational training products (163% increase in participants from previous year) - Held twice annual company-wide blood drive (120% increase in participants from previous year) - Raised ¥93,000 through Cup for Two program (increased units from Tokyo head office relocation led to ¥46,000 increase from previous year) 	<ul style="list-style-type: none"> ▪ Continued contribution to regional medicine <ul style="list-style-type: none"> - Provide advice on business plans, etc. to new clinics - Co-sponsor new clinic support seminars for physicians ▪ Promote social contribution activities <ul style="list-style-type: none"> - Continue to conduct companywide blood donation drives (held twice yearly) - Sales of vocational training products (held six times; Tokyo head office, Takebashi, Osaka head office) - Cup for Two (start new activities with vending machines at Osaka head office)
Management Base	<ul style="list-style-type: none"> ▪ Enhancement of communication <ul style="list-style-type: none"> - Produced content linked to newspaper articles and advertisements - Posted advertisements on new media (Otemachi Station billboards, etc.) ▪ Promoted diversity <ul style="list-style-type: none"> - Rebuilt diversity promotion system - Enhanced the flexible working systems ▪ Strengthened compliance <ul style="list-style-type: none"> - Implemented measures for compliance with revised Act on Prevention of Transfer of Criminal Proceeds - Raised awareness of revisions to affiliate compliance rules in OFAC regulations ▪ Enhancement of company participation awareness <ul style="list-style-type: none"> - Utilized Japan and overseas employees in company brochures, websites and other content 	<ul style="list-style-type: none"> ▪ Enhancement of PR and IR activities <ul style="list-style-type: none"> - Conduct PR activities related to corporate message/10-year anniversary - Begin planning upgrade to corporate site ▪ Promotion of diversity ▪ Strengthen compliance <ul style="list-style-type: none"> - Develop systems in conformance with new SMFG systems - Accommodate revisions to Personal Information Protection Act

SMBC Nikko Securities (SMBC Nikko)

Topic	Performance in Fiscal 2016	Goals for Fiscal 2017
The Environment	<ul style="list-style-type: none"> • Setting of CSR investment themes and provide related products <ul style="list-style-type: none"> - Started sales of ESG fund • Reduced environmental impact <ul style="list-style-type: none"> - Reset 2030 environmental targets and established PDCA cycle for target achievement • Environment-related social contribution activities (1,329 participants) <ul style="list-style-type: none"> - Held Green Week 2016 to strengthen environmental protection and social contribution activities • Higher ranking (than previous year) in 20th Environmental Management Survey (Nikkei Research) 	<ul style="list-style-type: none"> • Environmental contributions through business <ul style="list-style-type: none"> - Continue handling environment-related products, etc. - Communicate information related to ESG investment, SRI investment and Green Bonds • Reduce environmental impact <ul style="list-style-type: none"> - Track power usage at departments and branches and consider improvement measures - Review of operations and operational methods applicable for new qualifications for ISO 14001 environmental management systems • Environment-related social contribution activities
Next Generation	<ul style="list-style-type: none"> • Support for entrepreneurs and fostering of technology ventures <ul style="list-style-type: none"> - Continued support for R&D-oriented venture companies through Real Tech Fund • Initiatives for acquiring next-generation investors <ul style="list-style-type: none"> - Considered non-face-to-face bank-securities company collaboration and began customer support on LINE • Continued to promote financial literacy <ul style="list-style-type: none"> - Provided courses and experiential learning to diverse levels, including donating 100,000 copies of money textbook to college student unions • Promotion of FinTech utilization <ul style="list-style-type: none"> - Established IT Innovation Office, collected information on FinTech and considered utilization 	<ul style="list-style-type: none"> • Support for next-generation industries through stronger IPO responsiveness <ul style="list-style-type: none"> - Provide support with focus on promising growth sectors, centering on AI, IoT, robotics and healthcare • Initiatives for acquiring next-generation investors <ul style="list-style-type: none"> - Build relationships at early stage with inheritors (successive generation) • Continue to promote financial literacy <ul style="list-style-type: none"> - Implement financial and economic education programs for different age groups and verify the results • Initiatives for next-generation financial services <ul style="list-style-type: none"> - Consider further ways of utilizing FinTech

Topic	Performance in Fiscal 2016	Goals for Fiscal 2017
Community	<ul style="list-style-type: none"> • Respond to onset of aging society <ul style="list-style-type: none"> - Conducted the Cognitive Disorder Supporter Training Lecture for all sales employees - Assigned certified Service Care Attendants (139) and certified Inheritance Consultation Managers (109) to the head office and branches • Promotion of elimination of discrimination based on disability <ul style="list-style-type: none"> - Conducted training for officers and employees • Continued to promote diversity <ul style="list-style-type: none"> - Support sports for persons with disabilities (Number of volunteer participants: 98) • Support recovery and reconstruction efforts following the Great East Japan Earthquake <ul style="list-style-type: none"> - Made donations for the Kumamoto Earthquakes 	<ul style="list-style-type: none"> • Respond to onset of aging society <ul style="list-style-type: none"> - Build relationships at early stage with next generation by holding seminars • Enhancement of convenient services for all customers, including senior citizens and people with disabilities • Promote CSR activities rooted in each community <ul style="list-style-type: none"> - Create and communicate menu of CSR programs • Continue support of sports for people with disabilities <ul style="list-style-type: none"> - Continue support for blind soccer - Promote popularization of sports for people with disabilities in partnership with athletes and promote diversity • Disaster and reconstruction support activities (Great East Japan Earthquake, Kumamoto Earthquakes)
Management Base	<ul style="list-style-type: none"> • Initiatives for raising customer and employee satisfaction <ul style="list-style-type: none"> - Won one Gold and five Silvers at the 2016 Contact Center World Awards - Became first Japanese financial institution to acquire certification through HDI Support Center's Certification program - Launched "Withus" group for women to communicate and interact • Strengthen corporate governance <ul style="list-style-type: none"> - Introduced outside director system - Established Osaka BCP office • Advancement of CSR activities management <ul style="list-style-type: none"> - Formulated CSR materiality document - Raised Toyo Keizai CSR ranking 	<ul style="list-style-type: none"> • Higher customer satisfaction quality and pursuit of further customer satisfaction quality <ul style="list-style-type: none"> - Advance management related to administration at the customer level and further utilize customer feedback • Strengthen corporate governance system <ul style="list-style-type: none"> - Further strengthen compliance for the sake of customers, information security • Implementation of effective CSR activities <ul style="list-style-type: none"> - Plan and promote CSR activities in line with materiality and strengthen CSR communication

SMBC Friend Securities (SMBC Friend)

Topic	Performance in Fiscal 2016	Goals for Fiscal 2017
The Environment	<ul style="list-style-type: none"> • Sales of “Environmental Sustainability Bonds” <ul style="list-style-type: none"> – Sold record-high nine issues totaling ¥24.5 billion • Continued promotion of corporate activities in accordance with Principles for Financial Action toward a Sustainable Society (Principles for Financial Action for the 21st Century) • Promoted reducing the impact on the environment, utilize data • Utilization of eco-materials when renovating branches • Volunteer cleanups around branches <ul style="list-style-type: none"> – Total of 315 executives took part (as of February 2017) • Participated in SMFG Clean-up Day 	<ul style="list-style-type: none"> • Continued sales of “Environmental Sustainability Bonds” • Continued promotion of corporate activities in accordance with Principles for Financial Action toward a Sustainable Society (Principles for Financial Action for the 21st Century) • Promoted reducing the impact on the environment, utilize data • Utilization of eco-materials when renovating branches • Continue participation in SMFG Clean-up Day • Continued volunteer cleanups around branches
Next Generation	<ul style="list-style-type: none"> • Implementation of work-life balance support programs <ul style="list-style-type: none"> – Continued to publish Work-Life Balance newspaper and distribute to employees • Held children's open day 	<ul style="list-style-type: none"> • Continuation of work-life balance support program
Community	<ul style="list-style-type: none"> • Held SMBC Friend Restoration Support Volunteering (Apr.) • Participated in SMFG Group coordinated CSR activities <ul style="list-style-type: none"> – Volunteer activities to assist disaster-stricken areas, management participation-type volunteering and long-term volunteering • Conducted eco-cap collection activity <ul style="list-style-type: none"> – Donated 659,190 (764 vaccinations) • Donations through donation-type vending machines (Jan., Jul.) • Donation of products given by the companies to shareholders (May, Jul., Nov., Jan.) • Collection and donation of used stamps and spoiled postcards • Volunteer to collect old books (Dec.) • Donations through SMBC Friend Securities Green Fund <ul style="list-style-type: none"> – Made initial donations to environmental conservation organizations (Jun.) • Continuation of support for cultural and artistic activities <ul style="list-style-type: none"> – Co-sponsorship of special exhibits at Yamatane Museum of Art 	<ul style="list-style-type: none"> • Continue participation in SMFG coordinated CSR activities • Donations through donation-type vending machines • Donation of products given by the companies to shareholders • Collect and donate used stamps • Volunteer to collect old books • Second round of donations through SMBC Friend Securities Green Fund • Continuation of support for cultural and artistic activities

Topic	Performance in Fiscal 2016	Goals for Fiscal 2017
Management Base	<ul style="list-style-type: none"> Conducted and utilized customer satisfaction surveys Promote enhancement and diversification of various types of seminars depending on customers' needs Promote and implement more effective analysis of VOC feedback Continued dissemination of information for raising CSR awareness of all employees and further strengthening of the initiative <ul style="list-style-type: none"> Conducted CSR lectures in new recruit training Published CSR newspaper (Issues 12-15) Enhancement of external transmission of information via the website, etc. 	<ul style="list-style-type: none"> Continue holding of various types of seminars depending on customers' needs Continue strengthening of VOC feedback analysis and promotion of utilization Continue transmitting information about CSR activities

Sumitomo Mitsui Card Company (SMCC)

Topic	Performance in Fiscal 2016	Goals for Fiscal 2017
The Environment	<ul style="list-style-type: none"> Continued compliance with environmental laws and regulations (Amended Energy Saving Act) Handled regular ISO 14001 inspections <ul style="list-style-type: none"> Continued participation in the training of ISO 14001 internal auditors Promotion of environmental businesses <ul style="list-style-type: none"> Encouraged cardholders and affiliated merchants to change to online statements Promoted online membership procedures Conducted tree-planting activities through point exchange Continued to use environmentally friendly products Continued to conduct workshops aimed at enhancing environmental awareness <ul style="list-style-type: none"> Continued implementation of system for encouraging acquisition of the Eco Test qualification 	<ul style="list-style-type: none"> Continue compliance with environmental laws and regulations (Amended Energy Saving Act) Handle regular ISO 14001 inspections <ul style="list-style-type: none"> Continue participation in the training of ISO 14001 internal auditors Promotion of environmental businesses <ul style="list-style-type: none"> Encourage cardholders and affiliated merchants to change to online statements Promote online membership procedures Conduct tree-planting activities through point exchange Continue to use environmentally friendly products Continue to conduct workshops aimed at enhancing environmental awareness <ul style="list-style-type: none"> Continue implementation of system for encouraging acquisition of the Eco Test qualification

Topic	Performance in Fiscal 2016	Goals for Fiscal 2017
Next Generation	<ul style="list-style-type: none"> • Strengthening of financial literacy training for younger people <ul style="list-style-type: none"> - Developed pocket-money notebook for elementary school students - Conducted financial education seminars for elementary school students at Japan Futsal League matches - Conducted financial literacy education for middle/high school students, college students, and vocational school students • Promoted non-credit settlement (prepaid/debit) • Conducted company tours for children 	<ul style="list-style-type: none"> • Strengthening of financial literacy training for younger people <ul style="list-style-type: none"> - Develop pocket-money notebook for elementary school students - Conduct financial education seminars for elementary school students at Japan Futsal League matches - Conduct financial literacy education for middle/high school students, college students, and vocational school students • Promote non-credit settlement (prepaid/debit) • Conduct company tours for children
Community	<ul style="list-style-type: none"> • Respond to Act for Eliminating Discrimination against Persons with Disabilities <ul style="list-style-type: none"> - Improved sign language and written message service, used universal fonts and participated in cognitive disorder supporter training • Continuation of the TABLE FOR TWO program • Continuation of support for recovery and reconstruction efforts following the Great East Japan Earthquake <ul style="list-style-type: none"> - Use the BOOKOFF reconstruction support program • Community support through sponsorship of the Japan Futsal Federation • Continuation of CSR activities by regional sales departments • Promotion of online donations and point exchanges for donations to organizations related to CSR • Expansion of small-cap business, regional expansion of card settlement • Development of sites/apps for foreign visitors to Japan • Issue of social contribution cards 	<ul style="list-style-type: none"> • Establishment of cloud funding menu for social contribution • Introduce voluntary vacation system for employees • Respond to Act for Eliminating Discrimination against Persons with Disabilities • Continuation of the TABLE FOR TWO program • Continuation of support for recovery and reconstruction efforts following the Great East Japan Earthquake • Community support through sponsorship of the Japan Futsal Federation • Continuation of CSR activities by regional sales departments • Handling of donations via online collection and point exchange • Expansion of small-cap business, regional expansion of card settlement • Development of sites/apps for foreign visitors to Japan • Issue of social contribution cards

Topic	Performance in Fiscal 2016	Goals for Fiscal 2017
Management Base	<ul style="list-style-type: none"> • Diversity promotion (establishment of dedicated department and committee); training related to work style reforms • Implementation of various training to enhance customer satisfaction and spread of customer experience <ul style="list-style-type: none"> - Promoted customer satisfaction awareness activities utilizing internal portal; strengthened collection of customer feedback through SNS • Continued distribution of compliance information utilizing Compliance Hiroba • Improvement of the CSR knowledge and awareness of employees <ul style="list-style-type: none"> - Utilized internal SNS, internal newsletters, questionnaires 	<ul style="list-style-type: none"> • Diversity promotion (establishment of dedicated department and committee); training related to work style reforms • Implementation of various training to enhance customer satisfaction and spread of customer experience <ul style="list-style-type: none"> - Promote customer satisfaction awareness activities utilizing internal portal; strengthen collection of customer feedback through SNS • Continue distribution of compliance information utilizing Compliance Hiroba • Efforts to increase the CSR knowledge and awareness of employees <ul style="list-style-type: none"> - Utilize internal SNS, internal newsletters, questionnaires

Cedyna Financial Corporation (Cedyna)

Topic	Performance in Fiscal 2016	Goals for Fiscal 2017
The Environment	<ul style="list-style-type: none"> • Promoted EMS based on ISO 14001 <ul style="list-style-type: none"> - Continued to improve environmental management system - Handled regular ISO 14001 inspections - Complied with revisions for new standard • Continued promotion of environment-related products and services <ul style="list-style-type: none"> - Promoted online statements to cardholders - Promoted online credit card applications • Promotion of measures to reduce environmental impact <ul style="list-style-type: none"> - Promoted initiatives through eco-rules - Created visuals for environmental impact reduction activities - Accommodate third-party certification of environmental data • Environmental beautification and conservation activities (regional clean-up activities) <ul style="list-style-type: none"> - Conduct clean-ups near the Shinagawa and Kikukawa offices - Participate in cleanup activities sponsored by Fukuoka Love the Earth and SMFG 	<ul style="list-style-type: none"> • Promotion of Environmental Management System (EMS) based on ISO 14001 certification <ul style="list-style-type: none"> - Promote integration with business - Accommodate transition to new regulations and conduct screening measures • Continue promotion of environment-related products and services <ul style="list-style-type: none"> - Promote online statements to cardholders - Promote online credit card applications • Promotion of measures to reduce environmental impact <ul style="list-style-type: none"> - Promote initiatives through eco-rules - Create visuals for environmental impact reduction activities - Accommodate third-party certification of environmental data • Environmental beautification and conservation activities (regional clean-up activities) <ul style="list-style-type: none"> - Conduct clean-ups near the Shinagawa and Kikukawa offices - Participate in cleanup activities sponsored by Fukuoka Love the Earth and SMFG

Topic	Performance in Fiscal 2016	Goals for Fiscal 2017
Next Generation	<ul style="list-style-type: none"> • Provision of work experience opportunities through internships 	<ul style="list-style-type: none"> • Provision of work experience opportunities through internships
Community	<ul style="list-style-type: none"> • Continuation of donations and subsidies from socially contributing credit cards <ul style="list-style-type: none"> - Made donations through Earth Friendly Card, etc. • Donation through point exchange and promotion of online solicitations <ul style="list-style-type: none"> - Made joint donations to 11 organizations, including the Japanese Red Cross Society - Donation program supporting Olympic athletes - Kobe “Hometown Tax” • Support for culture, music and sports • Promotion of employee participation-based social contribution activities with SMFG <ul style="list-style-type: none"> - Promoted activities at offices other than head office (Nagoya, Kobe) - Strengthened prior promotion and feedback on results - Established internal volunteer fund program 	<ul style="list-style-type: none"> • Social contribution activities through business <ul style="list-style-type: none"> - Continuation of donations and subsidies from socially contributing credit cards - Donation through point exchange and promotion of online solicitations - Provision of products and services for solving social issues • Promote social contribution activities with employees <ul style="list-style-type: none"> - Work to raise the CSR awareness of employees - Proactive participation in SMFG Group-run social contribution activities - Promote social contribution activities in each region - Enhance internal volunteer fund program

Topic	Performance in Fiscal 2016	Goals for Fiscal 2017
Management Base	<ul style="list-style-type: none"> • Strengthening of the system for responding to VOC feedback as the highest priority • Improvement of customer satisfaction awareness and promotion of customer satisfaction • Enhancement of compliance systems • Initiatives to reform corporate culture <ul style="list-style-type: none"> - Diversity promotion, management reform • Continued enhancement of career design, etc. • Continued promotion of work-life balance • Continued maintenance of a crisis management structure • Continuation of measures aimed at improving mental health • Initiatives to make CSR activities known throughout the company <ul style="list-style-type: none"> - Implemented CSR education at training for first- and second-year employees - Conducted charity activities with labor union and health insurance society - Conducted CSR questionnaire survey 	<ul style="list-style-type: none"> • Customer satisfaction • Rigorous compliance • Enhancing awareness of human rights • Creating pleasant workplaces • Diversity promotion • Improve work-life balance measures • Rigorous risk management and information management • Shut out associations with anti-social forces • Prevent money laundering • Solidify environment for CSR promotion <ul style="list-style-type: none"> - Implement overall CSR education - Raise awareness of CSR through business - Establish CSR labor-management advisory committee

SMBC Consumer Finance (SMBCCF)

Topic	Performance in Fiscal 2016	Goals for Fiscal 2017
The Environment	<ul style="list-style-type: none"> • Promotion of environmental management system (EMS) <ul style="list-style-type: none"> - Set environmental targets (reduction of paper and electricity use) - Handled regular ISO 14001 inspections - Held EMS seminars and conducted self-checks (all employees) - Enhanced internal/external communications - Promoted LED interior lighting at nationwide Promise branches • Promoted environmental activities <ul style="list-style-type: none"> - Promoted participation in SMFG Clean-up Day - Approx. 1,500 employees participated in cleanups at multiple sites 	<ul style="list-style-type: none"> • Promotion of environmental management system (EMS) <ul style="list-style-type: none"> - Handled ISO 14001 revision - Continue to promote energy and resource conservation, etc. (Web transactions, branch facilities, etc.) • Promoted environmental activities <ul style="list-style-type: none"> - Continuation of clean-ups in the communities around each office - Continue internal/external communications

Topic	Performance in Fiscal 2016	Goals for Fiscal 2017
Next Generation	<ul style="list-style-type: none"> ▪ Implemented financial and economic educational activities <ul style="list-style-type: none"> - Held seminars, etc. for students and community members led by Customer Service Plazas at 18 nationwide locations (1,224 seminars held in FY2016; 89,697 people participated) ▪ Support for education from elementary school to college <ul style="list-style-type: none"> - Sponsored the Society Basic Skills Training Grand Prix - Co-sponsored Teach for Japan 	<ul style="list-style-type: none"> ▪ Continue initiatives for safe and secure financial services for customers <ul style="list-style-type: none"> - Hold financial and economics seminars to raise financial literacy - Hold experiential programs related to money for children
Community	<ul style="list-style-type: none"> ▪ Sponsor sports and other events <ul style="list-style-type: none"> - Sponsored Promise Essay Award - Co-sponsored table tennis tournament ▪ Donation activities with employee participation and matching gift <ul style="list-style-type: none"> - “Yakusoku no Mori,” “Table for Two” ▪ Reconstruction support <ul style="list-style-type: none"> - Provided matching gift based on sales at Miyagi Prefecture products fair, made donations for Kumamoto Earthquakes from employees and the company, donated chopsticks made from thinned forest products to Fukushima children ▪ Customer satisfaction (CS) enhancement <ul style="list-style-type: none"> - 1,655 employee ideas proposed; 53 actualized - Acquisition of COPC management system certification for the fourth consecutive year - Developed new service with official Promise app 	<ul style="list-style-type: none"> ▪ Continue to co-sponsor sports and other events <ul style="list-style-type: none"> - Sponsor the Promise Essay Award - Sponsor a table-tennis tournament ▪ Continuation of “Yakusoku no Mori” ▪ Community contribution activities <ul style="list-style-type: none"> - Continuation of community-based activities through Customer Service Plazas - Participation in SMFG Group’s volunteer activities ▪ Regularly transmit information for “Bincan Station” support site for young people ▪ CS enhancement <ul style="list-style-type: none"> - Promote activities utilizing customer feedback

Topic	Performance in Fiscal 2016	Goals for Fiscal 2017
Management Base	<ul style="list-style-type: none"> ▪ Diversity promotion <ul style="list-style-type: none"> - Selected managers in charge of promoting women's participation and advancement and established consult desks in each department - Held support seminar for returning to work after maternity/childcare leave, conducted training sessions on understanding diversity ▪ Maintenance and improvement of the work environment <ul style="list-style-type: none"> - Reinforced no-overtime day, held ethics study group ▪ Promotion of CSR understanding, penetration and publicity <ul style="list-style-type: none"> - Selected CSR promotion leaders, held study sessions and enhanced internal/external communications 	<ul style="list-style-type: none"> ▪ Diversity promotion <ul style="list-style-type: none"> - Promote participation and advancement for women and seniors, train personnel to be global leaders ▪ Maintenance and improvement of the work environment <ul style="list-style-type: none"> - Continue to implement work-life balance measures - Take other measures for workplace health and safety ▪ Rigorous compliance ▪ Understanding and penetration of CSR through business <ul style="list-style-type: none"> - Select CSR Promotion Leaders - Continue study sessions, workshops and CSR surveys - Conduct active communications

Japan Research Institute (JRI)

Topic	Performance in Fiscal 2016	Goals for Fiscal 2017
The Environment	<ul style="list-style-type: none"> ▪ Promotion of environmental business <ul style="list-style-type: none"> - Supported business model construction in Post-FIT era - Supported entry by Japanese companies into environmental business in emerging economies - Proposed science city plan for Thailand's Amata district and electric vehicle (EV) town concept in China ▪ Supported corporate evaluations for environmentally friendly loans ▪ Supported corporate evaluations for biodiversity funds 	<ul style="list-style-type: none"> ▪ Continue promotion of environmental businesses ▪ Create smart infrastructure market and solution business ▪ Support corporate evaluations for environmentally friendly loans ▪ Support corporate evaluations for biodiversity funds

Topic	Performance in Fiscal 2016	Goals for Fiscal 2017
Next Generation	<ul style="list-style-type: none"> • Collaboration with SMBC: Continued operation of the “Incubation & Innovation Initiative,” a business consortium of venture companies, etc. with new technologies to promote open innovation to respond to the rapid innovation occurring on a global scale • Developed activities aimed at revitalization of Japanese agriculture through next-generation agriculture • Supported development of programs for advancing the role of women <ul style="list-style-type: none"> - Collaboration with SMBC: Supported advancement of women’s roles through Nadeshiko loans • Company assessments incorporating ESG to promote sustainable economic activities • Implemented policy proposals to vitalize local economies <ul style="list-style-type: none"> - Held symposium on the slowing of growth in Tokyo and population decline regionally 	<ul style="list-style-type: none"> • Continue implementation of “Incubation & Innovation Initiative” • Revival of Japanese agriculture through agricultural industrialization • Proposal of policies for advancing the role of women and vitalizing local economies • Promotion of sustainable economic activities by incorporating ESG into company assessment • Symposiums
Community	<ul style="list-style-type: none"> • Continuation of support for recovery and reconstruction efforts following the Great East Japan Earthquake <ul style="list-style-type: none"> - Participated in volunteer activities in support of areas affected by disasters organized by SMFG Group - Continued locally rooted reconstruction support projects (Support resident community-building) • Launched regional platform for providing products and services to vulnerable (“gap”) seniors • New community mobility infrastructure creation using self-driving technology 	<ul style="list-style-type: none"> • Continuation of support for recovery and reconstruction efforts following the Great East Japan Earthquake <ul style="list-style-type: none"> - Participated in volunteer activities in support of areas affected by disasters organized by SMFG Group - Continued locally rooted reconstruction support projects (Support resident community-building) • Creation of private-sector service market in ultra-aging society • Regional revitalization through next-generation mobility

Topic	Performance in Fiscal 2016	Goals for Fiscal 2017
Management Base	<ul style="list-style-type: none"> • Raised security level of SMFG Group overall <ul style="list-style-type: none"> - Dedicated JRI security department implemented various measures to reinforce security in light of increase and sophistication of cyber-attacks • Continuation of upgrading and expansion of compliance systems, and of in-house education and training • Further promotion of measures for work-life balance <ul style="list-style-type: none"> - Acquired highest-rank "Eruboshi" mark, a certification program based on the Act on Promotion of Women's Participation and Advancement in the Workplace, from the Ministry of Health, Labour and Welfare (July 2016) - Continued promoting activities for reform of working styles at frontline level 	<ul style="list-style-type: none"> • Raising security level for overall SMFG Group <ul style="list-style-type: none"> - Provide technical support for system security at SMFG Group companies • Continuation of upgrading and expansion of compliance systems, and of in-house education and training • Further promotion of measures for work-life balance

THE MINATO BANK (Minato)

Topic	Performance in Fiscal 2016	Goals for Fiscal 2017
The Environment	<ul style="list-style-type: none"> • Continued marketing of environmentally considerate financial products • Conversion to environmentally considerate branches <ul style="list-style-type: none"> - Installed energy-saving facilities when branches established, relocated or remodeled (installed energy efficient lighting and air conditioning facilities at three branches) - Conversion to LED lights at all staffed branches (scheduled for Mar.) • Energy and electric power saving activities <ul style="list-style-type: none"> - Procured electricity from PPS, participated in "Cool Biz" (May-Oct.) and "Warm Biz" (Dec.-Mar.) seasonal dress codes and Implemented a summertime system (Aug.) • Participation in local cleanup activities <ul style="list-style-type: none"> - Activities at Suma Beach (Sept.: 46 participants) and in local communities 	<ul style="list-style-type: none"> • Continued marketing of environmentally considerate financial products • Conversion to environmentally considerate branches • Energy and electric power saving activities • Participation in local cleanup activities

Topic	Performance in Fiscal 2016	Goals for Fiscal 2017
Next Generation	<ul style="list-style-type: none"> • Underwriting of “Ayumi” private-placement bonds for regional contribution (72 issues, ¥7.2 billion) <ul style="list-style-type: none"> - Purchased school supplies, etc. with a portion of the commissions and donated them to schools, etc. designated by the companies • Financial education <ul style="list-style-type: none"> - Held financial classes for 63 students at three special needs schools - Dispatched instructors to University of Hyogo class on “Regional Carrier Development” • Reading awareness activities for children (The Minato Bank Foundation for Culture) <ul style="list-style-type: none"> - Donated children’s books to libraries, etc. in Hyogo Prefecture • Brought 200 children to Vissel Kobe and INAC Kobe soccer matches • Workshops held (2 events/60 participants) • Support programs for employees returning to work after taking childcare leave <ul style="list-style-type: none"> - Held training/interviews for employees before taking leave (twice a year); created internal SNS service for employees on maternity/childcare leave 	<ul style="list-style-type: none"> • Underwriting of “Ayumi” private-placement bonds for regional contribution • Financial education • Reading awareness activities for children <ul style="list-style-type: none"> - Cultural Foundation’s “Children’s Reading Week” project • Bring local children to local soccer team matches • Hold workshops • Continuation of support programs for employees returning to work after taking childcare leave

Topic	Performance in Fiscal 2016	Goals for Fiscal 2017
Community	<ul style="list-style-type: none"> • Co-sponsorship of and participation in local events (16 events) • Co-sponsorship of and participation in 6th Kobe Marathon (55 runners, 100 water supply volunteers, orchestra performance by volunteer employees) • Participation in memorial events for the Kobe Earthquake and disaster preparedness drills, co-sponsorship of Kobe Luminarie light festival • Co-sponsorship of and participation in Port of Kobe 150th Anniversary event • Co-sponsorship of and participation in “Beppinsan” television drama • Continuation of measures for senior citizens and people with disabilities, etc. <ul style="list-style-type: none"> - Entered agreement with Kobe City on protecting the health and safety of senior citizens as a cooperating partner (Mar. 2016) - Conducted training for Service Care Managers (102 participants) - Introduction (at some branches) of the COMUOON tabletop conversation system 	<ul style="list-style-type: none"> • Support and participate cooperatively in regional events in the prefecture • Co-sponsorship of and participation in 7th Kobe Marathon • Co-sponsorship of 23rd Kobe Luminarie light festival • Participation in memorial events for the Kobe Earthquake and disaster preparedness drills, co-sponsorship of Kobe Luminarie light festival • Co-sponsorship of and participation in Port of Kobe 150th Anniversary event • Continuation of measures for senior citizens and people with disabilities, etc.
Management Base	<ul style="list-style-type: none"> • Disclosure of information in an appropriate and timely manner • Bank briefing meetings, status reports, and information exchange meetings • Diversity <ul style="list-style-type: none"> - Acquired “Eruboshi” certification - Created handbooks (childcare and nursing care editions) • Work-life balance <ul style="list-style-type: none"> - Implemented summertime system (changed in Aug. to 8:10-16:30) - Implemented support measures for government’s “Yukatsu” lifestyle campaign, walking campaign, etc. during summertime hours period 	<ul style="list-style-type: none"> • Disclosure of information in an appropriate and timely manner • Bank briefing meetings, status reports, and information exchange meetings • Diversity • Work-life balance

Kansai Urban Banking Corporation (KUBC)

Topic	Performance in Fiscal 2016	Goals for Fiscal 2017
The Environment	<ul style="list-style-type: none"> • Provision of products and services deeply rooted in each region <ul style="list-style-type: none"> - Promoted initiatives for “eco time deposits”* • Strengthening of consulting capabilities <ul style="list-style-type: none"> - Operated a booth at the Biwako Environmental Business Exhibition 2016 - Collaborated with city of Osaka extra-governmental organizations • Reduced environmental impact <ul style="list-style-type: none"> - Summer electricity conservation campaign: Jun. 1 – Sept. 30 - Winter electricity conservation campaign: Dec. 7 – Mar. 31 • Support for environmental literacy <ul style="list-style-type: none"> - 40 employees in 15 teams participated in Lake Biwa hands-on learning sessions • Environment-related social contribution activities <ul style="list-style-type: none"> - Participation in SMFG Clean-up Day (Suma, Yodogawa) - Participated in Lake Biwa cleanup activities 	<ul style="list-style-type: none"> • Provision of products and services deeply rooted in each region <ul style="list-style-type: none"> - Make donations through “eco time deposits” • Strengthening of consulting capabilities <ul style="list-style-type: none"> - Operate a booth at the Biwako Environmental Business Exhibition 2017 • Reduce environmental impact • Environment-related social contribution activities <ul style="list-style-type: none"> - Participated in SMFG Clean-up Day - Participation in Lake Biwa cleanup activities
Next Generation	<ul style="list-style-type: none"> • Support for financial literacy <ul style="list-style-type: none"> - Held bank tours and the “Economics Koshien” Shiga Tournament, an economics quiz bowl - Provided educational workplace experiences and accepted interns • Supported sports, cultural and arts-related activities <ul style="list-style-type: none"> - Sponsored various sports events - Participated as a volunteer for marathon events - Held lobby concerts - Co-sponsored Lake Biwa Museum in Shiga Prefecture 	<ul style="list-style-type: none"> • Support for financial literacy <ul style="list-style-type: none"> - Provide financial education - Provide career education • Support sports, cultural and arts-related activities

Topic	Performance in Fiscal 2016	Goals for Fiscal 2017
Community	<ul style="list-style-type: none"> • Improvement of customer satisfaction (CS) at branches <ul style="list-style-type: none"> - Held CS Improvement Committee meetings • Creation of customer-friendly branches <ul style="list-style-type: none"> - Responded to Act for Eliminating Discrimination against Persons with Disabilities - Enhanced rules, further raised awareness internally (e-learning) - Trained 1,215 cognitive impairment supporters • Compliance training • Collaboration with local government (Shiga Prefecture) <ul style="list-style-type: none"> - Concluded memorandum of understanding on protecting the safety and security of senior citizens; began participating in protection activities • Donations for the Kumamoto Earthquakes <ul style="list-style-type: none"> - Bank contributed ¥10.0 million and employees, ¥5.0 million 	<ul style="list-style-type: none"> • Improvement of customer satisfaction (CS) at branches • Creation of customer-friendly branches • Compliance training
Management Base	<ul style="list-style-type: none"> • Diversity promotion <ul style="list-style-type: none"> - Acquired “2 Star” certification based on city of Osaka’s leading company certification program for women’s workplace participation and advancement - Acquired “Eruboshi” (second rank) certification based on the Act on Promotion of Women’s Participation and Advancement in the Workplace - Established guidebook with measures for addressing harassment related to pregnancy/maternity/childcare leave and nursing care leave, etc. - Held seminars on preparing to return to work after childcare leave and for expectant mothers • Supported career formation <ul style="list-style-type: none"> - Improved the ratio of women managers • Mental health management <ul style="list-style-type: none"> - Distributed mental health booklet 	<ul style="list-style-type: none"> • Diversity promotion <ul style="list-style-type: none"> - Consider adopting “Iku Boss” declaration on manager support for work-life balance • Support career formation

*Product for donating a fixed percentage of account balance to environmental protection organizations

Key Priority Issues for SMFG

Priority Issues (Materiality) that SMFG Should Address

We have reviewed our priority issues and derived three new themes – “Environment,” “Next Generation,” and “Community” – as our medium- to long-term priority issues that form the core of the SMFG Group's CSR activities. For each theme, we are also focusing on “where we want to be ten years from now” by clarifying matters and issues to be addressed and taking action on them.

[Priority issues (Materiality) that SMFG should address]

As a Financial Group, be a Bridge to the Future

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

Key issues to be addressed on a solid management base

Interaction with stakeholders	Customer satisfaction
Human resources development that embodies our five values	Creating a pleasant workplace for all employees (Work-life balance)
Corporate governance	
Risk management	Rigorous information management
Fair business practices and competition	Response to anti-social forces

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 CSR activities to these developments, in fiscal 2013 SMFG reviewed our priority issues and have derived three new themes – “Environment,” “Next Generation,” and “Community” – as our medium- to long-term priority issues that form the core of the SMFG Group's CSR 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.

Regarding these three priority issues, since fiscal 2014 SMFG has actively engaged with internal and external stakeholders, reviewed them and the issues to be addressed based on them, and worked to strengthen related initiatives at Group companies.

Identifying the Issues

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, next generation, and community),” and “key issues to be addressed on solid management base.”

Standards used for reference in prioritization

Importance to Stakeholders

- 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 SMFG Group CSR Committee

Importance to SMFG

- Priority issues from 10 Group companies
- Conformity with SMFG 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 SMFG Group after receiving the approval of the experts.



Step 3 Reporting to Group top management, and receiving approval

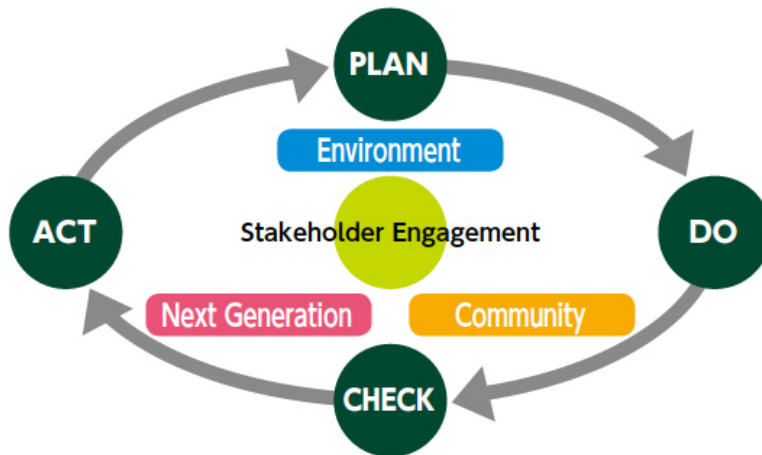
In March 2014, the Group's Management Committee gave approval for the priority issues (Materiality) that SMFG should address through the Group CSR Committee and the CSR Liaison Committee. Moreover, approval was received for the examination of specific methods of addressing priority issues after discussion and review with stakeholders both within and outside the Group and each Group company.

Step 4 Review through engagement

From July 2014 we have collected opinions from in and outside our Group through employee surveys held during internal training and external surveys in our CSR report, which contains the priority issues (Materiality) that SMFG should address. Since fiscal 2015, SMFG has been exchanging opinions through dialogue with experts and other means to confirm the suitability of key priority issues.



PDCA cycle in a bid to address three priority issues



Verifying Validity of Issues to Be Addressed within Priority Issues (Materiality)

With the establishment of the Sustainable Development Goals (SDGs), the core of the 2030 Agenda for Sustainable Development adopted by the United Nations in September 2015, the adoption of the Paris Accord at the 2015 United Nations Climate Change Conference (COP 21), and other recent developments, international conditions have been changing substantially, and so change is also required of SMFG Group businesses. In response to these developments, SMFG Group reviewed and confirmed the validity of its priority issues (Materiality) in fiscal 2016 and the issues to be addressed based on them.

The assessment was conducted through cross-Group discussion, dialogue with experts and other processes, and it found the three priority issues to be valid. But at the same time, the assessment also concluded that new measures for new societal issues should be added to the ten-year vision along with issues to be addressed based on the priority issues. In light of this, discussion and debate was conducted by the SMFG CSR Liaison Committee with Group companies. As a result, we created a new Vision for SMFG in 2030 and a new list of issues to be addressed.

Based on this, beginning in fiscal 2017, we will develop unified SMFG activities as well as unique activities at the Group company level.



Refer to the following for details on the stakeholder dialogue conducted in 2016.

➤ **Dialogue with Stakeholders**

*Action plan for people, planet and prosperity, succeeding the Millennium Development Goals (MDGs).

➡ **Comprised of 17 goals and 169 targets (English).**

Sustainable Development Goals (SDGs)

The Sustainable Development Goals (SDGs) were adopted by the United Nations General Assembly in 2015. The aim is not only for emerging countries but for all countries, including developed countries, to achieve 17 goals and 169 targets related to poverty and inequality, education, the environment and other areas. As a financial group, SMFG believes that it is capable of contributing to all 17 goals of the SDGs through Group company businesses, but going forward we will focus on the following goals in particular in which we are deeply involved and capable of demonstrating our strength.



SDGs related to our business

Materiality	Relevant SDGs
Environment	      
Next Generation	    
Community	       

Environment - Toward a Sustainable World That All Can Share

Management Approach

Recognition of Social Issues

The world has accelerated its move toward becoming a low-carbon or carbon-free society with the enactment in 2016 of the Paris Agreement to hold the increase in global average temperature to below 2°C of preindustrial levels. Moreover, the United Nations' Sustainable Development Goals (SDGs) also address long-term environmental issues such as climate change, energy and biodiversity, requiring companies to raise their contribution through their businesses. In the financial services field, environmental risk assessments must be conducted on financing and investment targets, and emphasis is placed on funding for projects capable of resolving environment issues on a global scale and environmental education for the employees that promote these assessments.

SMFG Group's Approach

SMFG group seeks to reduce the environmental impact of its business activities and contribute to global environmental protection from an economic standpoint by leveraging its financial functions. Our focus with respect to customer environmental measures is on four areas, the environment, renewable energy, water, and natural resources, and by providing financial services along with consulting on carbon credit utilization and environmental management, our aim is to help create more sustainable societies while generating business opportunities.

To effectively promote these activities we have identified the following three themes that SMFG should address.

- Promotion of environmental businesses
- Management of environmental risks
- Reduction of environmental impacts

SMFG Group's Management

Environmental management at SMFG group is based on the Group Environmental Policy and ISO 14001. In financial services, we promote business activities based on the guidelines and principles of initiatives such as the UN Global Compact and Equator Principles.

Overview of Fiscal 2016 Activities and Issues

In fiscal 2016, SMFG Group companies advanced the environmental business in response to their respective business formats in such ways as environmental assessment loans, leasing and financing of reusable and renewable energies and sales of environment-related bonds.

Aimed at decreasing environmental load, the Group actively engaged in environmental preservation activities including creating in-house manuals responding to changes in ISO 14001 regulations conducting third-party verifications of greenhouse gas emissions at each of the 10 SMFG companies and carrying out SMFG Clean-Up Day, which were attended by more than 1,000 employees and their families over the year. SMFG also strived to introduce environment-related information and financial services through environmental exhibitions inside and outside of Japan and by issuing environmental pamphlets.

Main Indicators

Amount of SMBC Environmental Assessment Loans and Private Placement Bonds*



(SMBC)

* Cumulative amount from the start of the initiative to the end of fiscal 2016

Promotion of Environmental Businesses

SMFG group considers that environmental businesses are means to preserve and improve the global environment while each company pursues its core business operations as a financial institution.

Here we introduce SMFG group's environmental products and services.

Please refer to the following regarding project finance for renewable energy projects overseas

 [Track Record in Project Finance for Renewable Energy Projects Overseas](#)

Promoting Business with Proceeds from Bond Issuance (SMBC)

SMBC has issued "green bonds" on overseas markets since October 2015. The funds procured from these bonds (proceeds from issuance) go to environmental projects such as renewable energy and energy conservation initiatives (qualified "green" projects). (Issue proceeds prior to being appropriated to qualified green projects are placed in short-term assets such as cash.) SMBC also has a strong track record in project finance for renewable energy projects in Japan and overseas, including solar and wind power generation. Issuing the bonds allows the bank to contribute even more to maintaining and improving the global environment through the abovementioned project finance initiatives. Appropriation of issue proceeds to qualified green projects is reported every year on SMBC's website. The reports include green impact assessments from the qualified green projects. The assessments involve comparing quantitatively under fixed conditions the difference in environment benefits between implementing and not implementing a project with investment and financing.

For further details about the bonds, please refer to the following website.

 [SMBC: Issuance of Green Bonds \(Japanese only\)](#)

For further details about the bonds, please refer to the following website.






 [Track Record in Project Finance for Renewable Energy Projects Overseas](#)




Promoting Environmental Finance


SMBC is developing financial solutions to support to work of a wide range of customers engaged in tackling various social issues such as of environmental problems for resource and energy conservation or, global warming; countermeasures for natural disasters; or ensuring food safety.

Assessment-Based Finance Programs (SMBC, Minato, KUBC)

SMBC	 "SMBC-ECO Loan" (Japanese only)	This loan product offers reductions of interest rates up to 0.25% for SMEs certified with environmental management systems by more than 20 organizations, including NPOs and local governments.
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SMBC	 "SMBC Environmental Assessment Loans and Private Placement Bonds" (Japanese only)	<p>Terms and conditions for these loans and bonds are set forth according to the assessment conducted on the company's environmental measures, pursuant to the environmental assessment standards originally created by SMBC and JRI, and SMBC determines terms and conditions for loans or private placement bonds according to the results of such assessment.</p> <p>The financing method may be selected from either loan or private placement bond.</p>
	 "SMBC Environmental Assessment Loans and Private Placement Bonds, eco Value-Up" (Japanese only)	<p>SMBC revised and improved evaluation methods for existing "SMBC Environment Friendliness Assessment Loans and Private Placement Bonds" especially made for medium-sized and small-to-medium-sized companies which have more assessment needs for the degree of environment friendliness. As for fund raising, SMBC conducts quantitative assessment according to the assessment criteria created by SMBC and follows with a qualitative assessment based on interviews conducted by environment friendliness assessment agency, and the final and comprehensive assessment results will be provided to clients in the form of "Environmental Management Analysis Report."</p>
	 "SMBC Food and Agriculture Assessment Loans and Private Placement Bonds" (Japanese only)	<p>Assesses and supports the measures taken by clients for safety and security of food, and agriculture</p>
	 "SMBC Sustainable Building Assessment Loans and Private Placement Bonds" (Japanese only)	<p>Terms and conditions for those loans and bonds are set forth according to the assessment conducted on the buildings owned or to be constructed by companies, pursuant to the assessment criteria created by SMBC and Woonerf Inc. (previously CSR Design & Landscape Co., Ltd.), for environment friendliness for "energy" and "water," etc., seismic adequacy required to maintain the sustainability, measures taken for "risk management" of such matters as BCP; and "business manager's policies and practices" promoting such assessment criteria.</p>
	 "SMBC Business Sustainability Assessment Loans and Private Placement Bonds" (Japanese only)	<p>Assesses and supports the measures taken by clients for business sustainability in the event of emergencies such as earthquakes, floods, etc.</p>

SMBC	 "SMBC Sustainability Assessment Loans and Private Placement Bonds" (Japanese only)	Terms and conditions for those loans and bonds are set forth by SMBC, according to the assessment conducted on the measures taken by clients for the Environment, Society and Governance ("ESG") and appropriateness of information disclosure, pursuant to the assessment criteria created by SMBC and JRI.
	Ministry of the Environment and Ministry of Economy, Trade and Industry subsidized-interest financing program	The subsidized-interest financing program from the Ministry of the Environment and the Ministry of Economy, Trade and Industry provides interest subsidies under certain conditions on loans for capital investments that reduce CO ₂ emissions. SMBC has been certified for utilization of this program as a financial institution and thereby supports companies engaged in environmental measures.
	 "SMBC Nadeshiko Loans / Private Placement Bonds" (Japanese only)	Assess and support initiatives for women's advancement
	 "SMBC Innovation Management Loans / Private Placement Bonds" (Japanese only)	Assess and support initiatives that promote innovation management
Minato	"Minato ECO Loans" for Environmentally Certified Corporations	Minato offers loans at preferential interest rates to corporate clients who have acquired with the "Kobe Environmental Management System" ("KEMS"), "Eco-Action 21," or "ISO14001" certifications.
	For Individuals "Minato ECO Housing Loan" "Minato ECO Product Purchase Loan"	Minato Bank offers environment-friendly loans especially made for clients who plan to purchase and install new-energy or energy-saving equipment (solar power generation systems, ECOWILL, EcoCute solar thermal systems, ENE-FARM, etc.) or to clients who plan to purchase or build homes featuring such equipment and homes that have at least 4 hydrangea flower marks in their overall evaluation under the CASEBEE Kobe (Kobe City Comprehensive Assessment System for Built Environment Efficiency) standard.
	"Minato ECO Private Placement Bond"	Minato offers preferential commission fees for private placement bond issuances to corporations that meet the Banks's designated bank guaranteed private placement bond issuance criteria and that have acquired either of the "KEMS," "Eco-Action 21," or "ISO14001" certifications.

KUBC	"Environmental Assessment Loans and Private Placement Bonds"	Terms and conditions, and interest rates for those loans and bonds are set forth according to the assessment conducted on the measures taken by clients for environment-friendliness. Clients can select a procurement method from either a loan or private placement bond.
	Kansai Urban Environment Support Loan	The predetermined, preferential interest rate for the loan is given to clients who met certain requirements for the environment (receipt of certification for ISO14001 or Eco Action 21, etc.)
	Housing Loans for Smart Homes	It is a loan to offer the same terms and conditions for such as loan terms and interest rates for loans to purchase residences preinstalled with solar power generation systems or for installation costs of such systems.
	 Eco-time Deposit (Japanese only)	This fixed-term deposit makes donations to organizations in Osaka Prefecture, Osaka City and Shiga Prefecture engaged in environmental protection activities, with the amount equivalent to a certain percentage of deposits received from clients.

For details regarding KUBC's activities, please refer to the following website.



KUBC: "Social and environmental activities and programs" (Environmental Initiatives) (Japanese only)

Recycling / Reuse Initiatives Through Leases (SMFL)

SMFL promotes the implementation of leasing low-carbon emission equipment which meets the criteria set forth by the Ministry of the Environment, by utilizing the subsidies provided by the Ministry for such leases.

In addition, real property with expired leases or machinery and equipment purchased from clients are being sold to other clients. SMFL strives to become a leasing company that is environmentally friendly, implementing measures for recycling and reuse by purchasing and selling the second-hand machinery.

Initiatives for Environmental Protection through Investment

Environmental Campaign Program for Japanese Government Bonds for Individuals (SMBC)

SMBC runs the "SMBC Green Program" to contribute to the environment using a portion of the proceeds when customers purchase Japanese Government Bonds (JGBs) for individual investors. Under the program, for each customer purchasing the bonds, greenhouse gases equivalent to 100 kg are reduced or the equivalent of 1 m² of trees is planted (through forest maintenance, etc.). Purchases of JGBs for individual investors by the bank's customers are transformed into effective measures for protection of the global environment.



SMBC: SMBC Green Program for JGBs for individual investors (Japanese only)

Main Environment-Related Products Handled (SMBC Nikko)

Product Name	Content
Nikko Eco Fund	This is the SRI fund, which was first offered in Japan in 1999 and takes into account environmental perspectives and invests in shares of potential growth companies which either excel in appropriately responding to environment-related issues or conducting businesses associated with the environment.
Invesco Women's Power Focus Japan Equity Fund (nickname: Kabu Komachi)	This fund researches the economic effects, etc. of women's consumption and employment and invests in the stock of companies whose growth potential can be expected to recover through improvement in internal and external fundamentals and other factors and companies projected to provide inexpensive variations while maintaining growth potential.
Nikko DWS New Resource Fund (nickname: Rising Tomorrow)	This fund invests mainly in shares of companies around the world with growth potential and that conduct businesses associated with the three most discussed issues of (1) water; (2) agriculture; and (3) alternate energy, to accommodate fluctuating or increasing global demand.
UBS Climate Change Fund (nicknamed "Cool Earth")	This fund invests in shares of countries around the world that have innovative technology with respect to preventive measures for global warming and are anticipated to have substantial growth in the future.
Schroder Asia Pacific Excellent Companies	This fund primarily invests in the stock of Asia Pacific companies, including Japanese companies, through the Schroder Asia Pacific (Ex. Japan) Equity Sustainable Investment Mother Fund and Schroder Japan Equity Sustainable Investment Mother Fund. The fund selects the issues of companies for which sustained profit growth is expected while also incorporating an ESG perspective. Currency hedges are not conducted in principle for foreign-denominated assets.
Asahi Life SRI Social Contribution Fund (nickname: Asu no Hane)	This fund invests in the stock of companies that contribute to society through active engagement in social issues through their businesses.
Sompo Japan SRI Open (nickname: Mirai no Chikara)	This fund invests in the stock of companies with exceptional CSR (corporate social responsibility) initiatives.
Japan SRI Open (nickname: Kizuna)	This fund evaluates companies from both financial and CSR perspectives and invests in companies with a high potential for sustained growth through fulfilling social responsibilities.
Social Responsibility Fund (nickname: SRI Keikaku)	This fund invests in the stock of companies that conduct activities with an active awareness of CSR (corporate social responsibility).

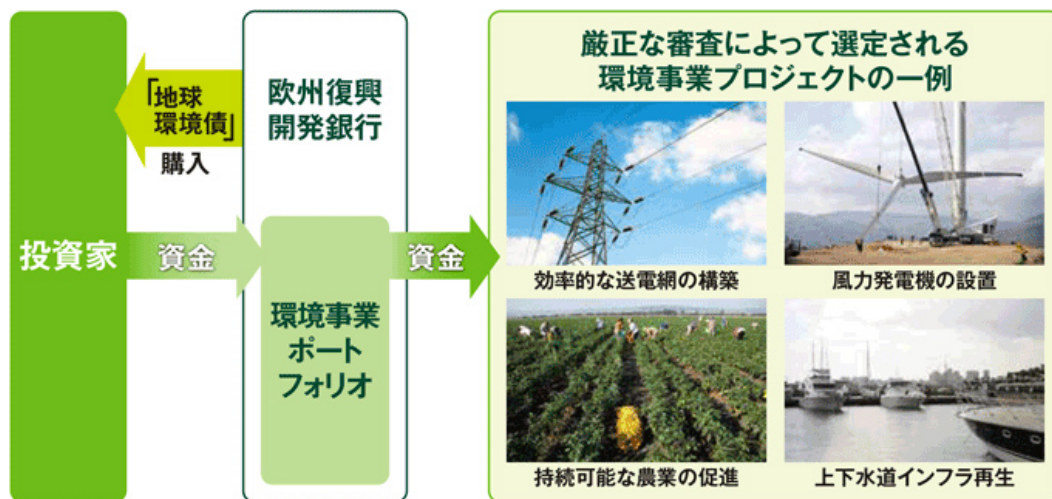
Product Name	Content
Nikko World Trust-Nikko Green New Deal Fund	This fund invests in shares of companies located in countries where high growth is anticipated through their environmental preservation activities, focusing on the "Green New Deal" policy for economic recovery based on measures required for global environment.
DWS New Resource Technology Fund (nickname: Global Shift)	This fund invests mainly in shares of companies around the world with growth potential and that conduct businesses associated with the three most discussed issues of (1) local infrastructure; (2) food; and (3) clean energy, to accommodate fluctuating or increasing global demand.
Fidelity Three Basic Fund (nickname: Energy of Water and Land)	This fund invests in the stock of companies involved in clean energy, the water business, and food business.
Tokio Marine Select World Equity Fund (nickname: Premium World)	This fund invests in global equities related to the three areas of the environment, water and food, and medicine and health, which must be maintained and improved globally.
Eco-Fund Pension Fund	This fund actively invests in shares of Japanese companies that are implementing excellent responses to environmental issues or conducting business related to the environment.
The World Bank (Green Bond)	<p>SMBC and SMBC Nikko Securities offer the Nikko World Bank Bond Fund co-developed with the World Bank (nicknamed, "The World Bank Green Fund"). This fund was the first in the world to invest in green bonds* (data provided by Nikko Asset Management Co., Ltd.).</p> <p>A portion of earnings from the fund is donated to the Japan Committee for UNICEF and the Japanese Red Cross Society to be used to resolve any social conflicts around the world.</p> <p>*This fund invests in green bonds, which are one of the bonds issued by the World Bank. In principle, the funds procured through the issuance of these bonds are used only for lending to global warming countermeasure projects in emerging countries.</p>

Environmental Sustainability Bonds (SMBC Friend)

SMBC Friend Securities plans and sells products that allow clients through investment in securities to support businesses and projects that address environmental problems and other social issues.

One of the company's core products is Environmental Sustainability Bonds, which are issued to support environmental projects like natural energy development and reforestation. The company also works to provide information on support recipients, for example by introducing on its website environmental projects that have received financing.

Environmental Sustainability Bonds System



Issue of “Chikyuni Yasashii Card” for Environmental Contributions through Credit Cards (Cedyna)

Cedyna issues “Chikyuni Yasashii Card,” a social contribution-type credit cards that supports global environmental protection. When card members use their cards for everyday things like shopping and dining out, a portion of the money spent is donated by Cedyna to organizations involved in global environmental protection at absolutely no charge to card members. The card has been issued since 1991, and in fiscal 2016 approximately ¥17.0 million was donated, bringing the cumulative total to approximately ¥716.0 million.

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

 [Cedyna: Initiatives for the environment through business activities \(Japanese only\)](#)

Emissions Credit-Related Business (SMBC)

SMBC has promoted business activities related to emissions credits* since 2005.

*Emissions credits are also referred to as offsets or carbon credits, but in this context “emissions credit” is a general term for emissions quotas or certified reduction amounts, etc., established under the Kyoto Protocol.

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

Emissions Trading Related Business (Advisory and Consulting Services)

SMBC provides a wide variety of services in collaboration with its overseas affiliates, including referrals of developing country sellers to customers looking to acquire emissions credits, advisory services to support transactions, and financing. For example, the Japanese government is working to build a mechanism for technology transfers, etc. to developing countries to enable Japan to contribute to the reduction of greenhouse gases globally. SMBC has in response proposed a joint crediting mechanism (JCM) and provides advisory services in partnership with Group companies for customers in Japan.

SMBC Brazil partnered with the Bank of Brazil, the largest bank in the country, in July 2006 to strengthen its system for identifying products under the Clean Development Mechanism (CDM) program, and in December 2006 introduced emissions credits equivalent to 1.5 million tons of CO₂ to Japan’s Chugoku Electric. It was the only project involving a Japanese bank to be nominated for a Sustainable Banking Award 2007, an awards program run by the Financial Times newspaper and others. SMBC also has a consulting subsidiary in Brazil that supports CDM project development and owns a stake in a sustainability fund led by the Brazilian Development Bank while providing environment-related advisory services for the fund.

Handling of Joint Crediting Mechanism Projects

SMBC provides financial support for energy conservation and renewable energy development projects being conducted overseas with environmental technologies from Japan in connection with the Joint Crediting Mechanism (JCM) being promoted by the Japanese government to help reduce emissions of greenhouse gases. Since fiscal 2010, the bank has conducted various business surveys for over twenty projects, primarily in Asia and Central and South America, while planning and developing financing schemes.

In fiscal 2014, the bank participated in a study of an energy conservation project involving switching from a mercury-based process to ion exchange membranes at a 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. The ion exchange membrane method is an environmentally considerate technology that 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.

Going forward, SMBC intends to utilize JCM to support overseas application of exceptional Japanese environmental technologies. It will also take on environmental problems such as climate change and mercury, and continue to contribute to the development of a sustainable society.

Consultation for Environment-Related Business

Consultation Business for the Amended Energy Saving Act (SMFL)

It strengthens its advisory services by appropriately accommodating the Amended Energy Saving Act for proposing comprehensive energy saving measures by utilizing leases.

Environmental Advisory Business (JRI)

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.

Proposals for Energy-Related Policies (JRI)

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 \(Environment, Energy\)](#)

Creation of Environmental Business (SMBC)

Initiatives for Growth Sectors

SMBC has identified eight specific growth sectors as a growth industry cluster: new energy, the environment, water, natural resources, infrastructure, healthcare, agriculture, and robotics, and promotes 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 support for renewable energy projects, conducts commercial feasibility surveys for the water business, and provides business support in healthcare, agriculture and other areas.

Wastewater Treatment Business Research in Vietnam's Da Nang Industrial Zone

In the water sector, one of eight growth fields, we worked with multiple Japan-affiliated companies to conduct surveys for a wastewater treatment project in the Da Nang Industrial Zone in Vietnam, a fiscal 2011 Ministry of the Environment model project for environmental improvement in Asia. Drawing attention as a manufacturing alternative to China (in the "China Plus One" model), Vietnam is facing the issue of improving its water environment as industrialization proceeds. Going forward, we intend to continue helping improve the water environment through surveys and other activities.

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.

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

 **SMBC: Project Finance (Japanese only)**

Project Finance in Japan

In Japan, SMBC has provided financing for solar power projects since before the introduction of a feed-in tariff scheme in July 2012. Making maximum use of its accumulated know-how, SMBC actively engages in renewable energy products, including solar, wind, and biomass, which has been gaining momentum in recent years.



Implementation of Large-Scale Solar Power Projects in Three Locations in Japan and Related Project Finance (Japanese only) (227KB)



Project Finance Structure for Large-Scale Solar Power Project (Japanese only) (72KB)



Project Finance for Geographically Distributed Solar Power Generation Projects Using Agricultural Facilities, Etc. (Japanese only) (86KB)



Project Finance Structure for Large-Scale Solar Power Generation Project (Japanese only) (73KB)



Project Finance for Large-Scale Solar Power Generation (Mega Solar) Project in Hokkaido (Japanese only) (64KB)



Project Finance Structure for Wind Power Generation Project (Japanese only) (79KB)



Project Finance Structure for Solar Power Generation Project (Japanese only) (162KB)



Project Finance Structure for Solar Power Generation Project in Ofunato City (Japanese only) (76.9KB)



Project Finance Structure for Large-Scale Wind Power Generation Project (Japanese only) (94KB)



On Formation of Project Bond Self-Trusts for Project Finance (10KB)



Formation of Project Finance for Japan's Largest Biomass Power Generation Project in Buzen, Fukuoka Prefecture (165KB)

Overseas Project Finance

The bank actively conducts project finance for renewable energy projects overseas as well, in the Americas, Europe, the Middle East, Africa, and Oceania and Asia regions.

For further details, please refer to the following website.

➤ [Track Record in Project Finance for Renewable Energy Projects Overseas](#)

Environmental Benefits of Renewable Energies

SMBC is involved in project finance for numerous power generation projects using renewable energies.

Renewable energy does not, in principle, emit CO₂, so generating electricity with it makes it possible to reduce by that same amount the CO₂ emitted from use of non-renewable energies like coal, petroleum and natural gas at conventional power plants. Supporting these projects and helping thereby to reduce CO₂ emissions serves to reduce environmental impact.

The following shows annual CO₂ reductions from project finance initiatives in fiscal 2016 that involve renewable energy projects overseas. CO₂ reductions are calculated by determining annual estimated power generation based on the type of renewable energy and on generating capacities and facility utilization ratios, etc. at the target facilities in each country and then multiplying that value by the electric power emissions factors of each of the countries. The calculations do not take into account the proportion of financing provided by SMBC with respect to total project costs (financing share).

Type	By Country	Facility's generating capacity* ¹ (MW)	Annual estimated power generated* ² (MWh)	Annual CO ₂ reduction* ³ (t-CO ₂)
Wind power generation	Chile	115	241,776	97,194
	United States	1,011	2,125,526	1,033,006
	Australia	470	988,128	726,274
	Netherlands	100	210,240	99,444
	Germany	684	2,027,765	961,161
	Belgium	370	777,888	161,023
	United Kingdom	1,563	4,760,359	1,966,028
	Jordan	89	187,114	122,747
	Mongolia	50	105,120	136,130
	Indonesia	75	157,680	116,052
Solar power generation	Chile	215	263,676	105,998
	United States	2,183	2,677,231	1,301,134
	Australia	255	312,732	229,858
	France	145	177,828	7,291
Hydro-electric power generation	United States	296	1,166,832	567,080
	Indonesia	39	153,738	113,151
Geothermal power	Indonesia	701	5,096,831	3,751,267
Biomass power generation	United Kingdom	299	2,300,000	949,900
Totals		8,660	23,730,464	12,444,739

*1 Facility capacity = Financed project total (total output)

*2 Annual estimated power generated = Facility capacity × Annual time × Facility utilization rate

*3 CO₂ reduction = Annual estimated power generated × Power emissions factor

*4 Source: Facility utilization ratios for wind power use figures for onshore and offshore wind farms from the European Wind Energy Association.

Solar, hydro and geothermal figures are from the “Report on Verification of Power Generation Costs, etc. to the Long-term Energy Supply and Demand Subcommittee” dated May 26, 2015. Figures for biomass power are calculated based on information disclosed by project operators.

Emissions factors are from the IEA's “CO₂ Emissions from Fuel Combustion 2016 Edition.”

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

Provision Period	Country	Content
February 2011	Uzbekistan	A memorandum of understanding 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 as well as financial services for Japan-affiliated companies doing business in the country and local Uzbekistani companies to acquire new business opportunities in the environmental sector, including development projects in Uzbekistan and emissions trading, and to strengthen a collaborative framework for yen settlement operations.
June 2011	Estonia	A memorandum of understanding was concluded with Enterprise 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 for Japan-affiliated companies entering the country's markets as well as local companies and to acquire new business opportunities in the environment sector, such as development projects in Estonia and emissions trading.
March 2012	Mongolia	A memorandum of understanding was concluded with Development Bank of Mongolia (DBM), Mongolia's only government-affiliated development bank, for financial cooperation for environment and infrastructure projects which reduce greenhouse gas emissions.

Provision Period	Country	Content
March 2012	Mexico	A memorandum of understanding was concluded with Petróleos Mexicanos (PEMEX), the largest state-run corporation in Mexico, to support initiatives for reduction of greenhouse gases at the company's facilities.
March 2013	Mongolia	A memorandum of understanding was concluded with Khan Bank, the largest commercial bank in Mongolia, in connection with a business alliance related to cooperation in resource and infrastructure development, financing for the renewable energy and new energy sectors, trade finance, client referrals, and exchange of market entry related information, etc.
March 2013	Colombia	Partnering with the Japan Bank for International Cooperation (JBIC), we established a JBIC GREEN credit line for Banco de Bogotá, the second largest commercial bank in Colombia, to provide support for local projects that contribute to greenhouse gas reduction in a two-step loan format.
July 2014	Mexico	A memorandum of understanding was signed with Petróleos Mexicanos (PEMEX), the largest state-run corporation in Mexico, related to cooperation in environmental sectors (for reduction of greenhouse gases).
October 2014	Chile	A business collaboration agreement was concluded with Production Development Corporation (Corfo), a Chilean government organization, related to collaboration in fund procurement related to renewable energies and mining-related projects.

Track Record in Project Finance for Renewable Energy Projects Overseas

Approach to Environmental Activities (SMBC)

SMBC has a strong track record in providing project finance for renewable energy businesses in countries around the world.

The bank actively conducts project finance for renewable energy projects overseas, in the Americas, Europe, and the Australia and Asia regions.

In fiscal 2016, the bank supported 46 high quality project finance deals in fields such as new energy (21 solar energy, 18 wind energy, 3 Geothermal Energy, 2 Hydropower, 1 Biomass 1 Submarine power cable, 1 waste-to-energy. By region: 22 projects in the Americas, 14 in Europe, and 10 in Australia and Asia).

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

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

Americas (SMBC)

The bank is involved in multiple renewable energy projects in North, Central, and South America.
(Cumulative amount as of March 2017 : 7 countries, 63 projects)

Projects during FY2016

Finance Contract Period	Country	Project Name	Type of Project	Installed Capacity (MW)
April 2016	US	BIF III Holtwood	Wind Energy	252
April 2016	US	SunPower Rosamond II	Solar Energy	278
April 2016	US	Holtwood Hydroelectric	Hydropower	296

Finance Contract Period	Country	Project Name	Type of Project	Installed Capacity (MW)
June 2016	US	Boulder Solar	Solar Energy	100
June 2016	US	Marshall Wind	Wind Energy	72
July 2016	Chile	El Pelicano	Solar Energy	100
July 2016	US	California Valley Solar Ranch	Solar Energy	250
August 2016	US	Emerald State Solar	Solar Energy	285
September 2016	Chile	Santiago Solar	Solar Energy	115
November 2016	Chile	Parque Eolico Cabo Leones I S.A.	Wind Energy	115
November 2016	US	Blythe Solar	Solar Energy	110
November 2016	US	Blythe II Solar	Solar Energy	125
December 2016	US	SBL Holdco	Solar Energy	423
December 2016	US	BIF II Safe Harbor	Wind Energy	417
December 2016	US	Coronal Tulare	Solar Energy	44
February 2017	US	Agua Caliente	Solar Energy	290
March 2017	US	ConEd Upton Solar	Solar Energy	158
March 2017	US	Alta Wind IV	Wind Energy	102
March 2017	US	Alta Wind V	Wind Energy	168

Finance Contract Period	Country	Project Name	Type of Project	Installed Capacity (MW)
March 2017	US	Coronal Gulf Solar I	Solar Energy	30
March 2017	US	Coronal Gulf Solar II	Solar Energy	40
March 2017	US	Coronal Gulf Solar III	Solar Energy	50

Projects before FY2015

Finance Contract Period	Country	Project Name	Type of Project	Installed Capacity (MW)
May 2013	US	Copper Mountain Solar 2	Solar Energy	150
June 2013	US	Solar Star Funding	Solar Energy	579
June 2013	Canada	Innergex Car	Wind Energy	109.5
June 2013	US	North Sky River Energy	Wind Energy	162
July 2013	Peru	Chaglla	Hydropower	406
January 2014	Canada	South Dundas Windfarm	Wind Energy	30
January 2014	US	White Pine Financial	Hydropower	356
March 2014	US	Copper Mountain Solar 3	Solar Energy	250
March 2014	Canada	K2 Wind	Wind Energy	270
April 2014	US	Mesquite Creek Wind	Wind Energy	211

Finance Contract Period	Country	Project Name	Type of Project	Installed Capacity (MW)
April 2014	Canada	Northland Power Solar IV	Solar Energy	50
June 2014	Canada	Bluewater Wind	Wind Energy	60
June 2014	Mexico	Energia Sierra Juarez	Wind Energy	155
October 2014	US	BIF II Safe Harbor Holdings	Hydropower	417
October 2014	Canada	SP Armow Wind Ontario	Wind Energy	180
October 2014	US	Avalon Solar	Solar Energy	35
November 2014	Uruguay	Kiyu Wind	Wind Energy	49
February 2015	US	Passadumkeag Windpark	Wind Energy	40
March 2015	US	Avalon Solar	Solar Energy	45
April 2015	Canada	Jericho Wind	Wind Energy	149
April 2015	Canada	Goshen Wind	Wind Energy	102
May 2015	US	Silver State Solar	Solar Energy	250
May 2015	Chile	San Juan de Chanaral	Wind Energy	186
May 2015	US	Seville Solar One	Solar Energy	20
May 2015	US	Deepwater Wind	Wind Energy	30
June 2015	Canada	Meikle Wind Energy	Wind Energy	180

Finance Contract Period	Country	Project Name	Type of Project	Installed Capacity (MW)
June 2015	Brazil	Puma Pulp Mill Project	Waste-to-Energy	255
July 2015	US	Coronal Lost Hills	Solar Energy	26
July 2015	Canada	Grand Valley Phase 3	Wind Energy	40
August 2015	Chile	Conejo Solar SPA	Solar Energy	104
September 2015	US	TX Jumbo Road Wind	Wind Energy	300
October 2015	US	RE Columbia 3	Solar Energy	10
October 2015	US	RE Gillespie 1	Solar Energy	15
October 2015	US	RE Rio Grande	Solar Energy	5
October 2015	US	RE Rosamond One	Solar Energy	20
October 2015	US	RE Rosamond Two	Solar Energy	20
October 2015	US	RE Victor Phelan Solar One	Solar Energy	17.5
November 2015	Canada	St. Joseph Windfarm Inc.	Wind Energy	138
November 2015	Mexico	MPG La Bufa Wind Farm	Wind Energy	130
December 2015	US	Seville Solar Two	Solar Energy	30
February 2016	US	EE Waianae Solar Holdings	Solar Energy	27.6

Europe, the Middle East, Africa (SMBC)

The bank is providing finance in a wide range of projects in the field of renewable energy, including offshore wind farm projects in the UK, the Netherlands, Germany, and Belgium, solar power generation project in France, a Submarine power cable project and waste-to-energy project in the UK.

(Cumulative amount as of March 2017 : 6 countries, 36 projects)

Projects during FY2016

Finance Contract Period	Country	Project Name	Type of Project	Installed Capacity (MW)
May 2016	UK	Beatrice Offshore Windfarm	Wind Energy	588
May 2016	UK	Dudgeon Offshore Wind Farm	Wind Energy	402
August 2016	UK	MGT Teesside	Biomass	299
August 2016	Germany	Merkur Offshore Wind	Wind Energy	396
September 2016	UK	Humber Gateway OFTO	Submarine power cable	-
November 2016	Jordan	Fujeij Wind Project	Wind Energy	89
December 2016	Belgium	Norther	Wind Energy	370
December 2016	UK	Firebolt RB Holdings	Wind Energy	573
February 2017	Germany	OWP Butendiek	Wind Energy	288
March 2017	Netherlands	Windpark Krammer	Wind Energy	100
March 2017	France	Durance Holdco	Solar Energy	34
March 2017	France	CENTRALE PHOTOVOLTAIQUE DE TOUL-ROSIERES 1 (Refinancing)	Solar Energy	55

Finance Contract Period	Country	Project Name	Type of Project	Installed Capacity (MW)
March 2017	France	CENTRALE PHOTOVOLTAIQUE DE CRUCEY 1 (Refinancing)	Solar Energy	36
March 2017	France	CENTRALE PHOTOVOLTAIQUE DE MASSANGIS 2 (Refinancing)	Solar Energy	20

Projects before FY2015

Finance Contract Period	Country	Project Name	Type of Project	Installed Capacity (MW)
April 2013	UK	Buckinghamshire Waste Project	Waste-to-Energy	22
June 2013	UK	BLUE TRANSMISSION SHERINGHAM SHOAL LIMITED	Submarine power cable	-
July 2013	France	Valtom Waste Project	Waste-to-Energy	16
July 2013	France	CENTRALE PHOTOVOLTAIQUE DE CRUCEY 1 SAS	Solar Energy	36
July 2013	France	CENTRALE PHOTOVOLTAIQUE DE MASSANGIS 2 SAS	Solar Energy	20
August 2013	UK	MASDAR ENERGY UK LIMITED	Wind Energy	630
September 2013	UK	BLUE TRANSMISSION LONDON ARRAY LIMITED	Submarine power cable	-
November 2013	UK	West London Waste Project	Waste-to-Energy	34

Finance Contract Period	Country	Project Name	Type of Project	Installed Capacity (MW)
December 2013	UK	Merseyside Waste Project	Waste-to-Energy	49
March 2014	UK	Hayabusa Limited	Wind Energy	70
May 2014	Netherlands	Gemini Offshore Wind	Wind Energy	600
August 2014	UK	Derby Waste	Waste-to-Energy	11
November 2014	UK	North Yorkshire Waste	Waste-to-Energy	29
December 2014	UK	Thanet OFTO	Submarine power cable	-
January 2015	Germany	Baltic 2 Offshore Wind Farm	Wind Energy	288
February 2015	UK	Gwynt y Mor OFTO	Submarine power cable	-
April 2015	UK	BLUE TRANSMISSION LONDON ARRAY LIMITED (Refinancing)	Submarine power cable	-
June 2015	Germany	Nordsee One Offshore Wind Farm	Wind Energy	332
June 2015	Germany	Veja Mate Offshore Wind Farm	Wind Energy	402
October 2015	UK	Galloper Offshore Wind Farm	Wind Energy	336
October 2015	Belgium	Nobelwind Offshore Wind Farm	Wind Energy	165
March 2016	Netherlands	Eneco Luchterduinen Wind Farm	Wind Energy	129

Australia and Asia (SMBC)

In the Australia and Asia region, the bank was involved with geothermal power generation and hydropower generation projects in Indonesia and Laos. In Australia the bank is involved in a wind energy project intended to diversify power sources.

(Cumulative amount as of March 2017 : 4 countries, 20 projects)

Projects during FY2016

Finance Contract Period	Country	Project Name	Type of Project	Installed Capacity (MW)
September 2016	Indonesia	UPC Sidrap	Wind Energy	75
September 2016	Mongol	Tsetsii Onshore Wind Power Project (※)	Wind Energy	50
October 2016	Indonesia	Hasang run-of-the-river hydroelectric power plant	Hydropower	39
November 2016	Australia	Solar Flagships	Solar Energy	155
December 2016	Indonesia	Salak	Geothermal Energy	366
December 2016	Indonesia	Darajat	Geothermal Energy	255
December 2016	Australia	Sapphire Wind Farm	Wind Energy	270
January 2017	Indonesia	Muara Laboh	Geothermal Energy	80
January 2017	Australia	Silverton Wind Farm	Wind Energy	200
January 2017	Australia	Clare Solar Park	Solar Energy	100

Note: Support as a financial advisor

Projects before FY2015

Finance Contract Period	Country	Project Name	Type of Project	Installed Capacity (MW)
February 2012	Indonesia	Wampu hydroelectric power plant	Hydropower	45
May2013	Australia	Waterloo Windpower Project	Wind Energy	111
June2013	Australia	Boco Rock Wind Farm	Wind Energy	113
March 2014	Indonesia	Sarulla geothermal Project	Geothermal Energy	320
May 2014	Indonesia	Asahan Hydro Power Project	Hydropower	180
August 2014	Laos	Nam Ngiep Hydro	Hydropower	290
November 2014	Australia	Wattle Point Wind Farm	Wind Energy	91
January 2015	Laos	Houay Ho Hydro	Hydropower	150
May 2015	Indonesia	Semangka hydroelectric power plant	Hydropower	56
December 2015	Australia	Ararat Wind Farm Project	Wind Energy	240

Other Support for Overseas Renewable Energy (Other than Project Finance) (SMBC)

Under the Global Action for Reconciling Economic Growth and Environmental Preservation (GREEN) promoted by the Japan Bank for International Cooperation (JBIC), the bank provided support for renewable energy projects in emerging countries by providing funding to be loaned through local financial institutions in cooperation with JBIC (eight projects in four countries as of March 31, 2017).

More recently, in April 2016, the bank provided USD100 million in funding to be loaned through local financial institutions in cooperation with JBIC through the CAF Development Bank of Latin America to use for renewable energy or energy efficiency projects in member countries.

Projects during FY2016

Time of Agreement Signing	Country	Borrower	Use	Cofinancing Amount
April 2016	Central and South America	CAF Development Bank of Latin America	Renewable energy projects and energy efficiency projects in Central and South America	USD100m

Projects before FY2015

Time of Agreement Signing	Country	Borrower	Use	Cofinancing Amount
March 2013	Colombia	Banco de Bogota	Renewable energy projects in Colombia	USD100m
March 2013	Turkey	Kalkinma Development Bank of Turkey	Renewable energy projects and energy efficiency projects in Turkey	USD100m
March 2013	India	ICICI Bank	Renewable energy projects and energy efficiency projects in India	USD90m

Time of Agreement Signing	Country	Borrower	Use	Cofinancing Amount
March 2013	Malaysia	RHB Bank	Renewable energy projects and waste treatment projects in Malaysia	USD80m
May 2013	India	State Bank of India	Energy efficiency projects and renewable energy projects in India	USD90m
June 2013	Southern Africa	The Development Bank of Southern Africa	Renewable energy projects in southern Africa (in 14 countries, including South Africa)	USD50m
March 2014	India	ICICI Bank	Renewable energy projects and energy efficiency projects in India	USD90m

In addition, using the Overseas United Loan Insurance offered by Nippon Export and Investment Insurance assisted development funding of a Vietnamese company's hydro-electric power generation projects (five projects since fiscal 2010).

Finance Contract Period	Project Name	Installed Capacity (MW)
February 2011	Song Bac Hydropower Project	42
September 2011	Dong Nai 5 Hydropower Project	150
February 2012	Srepok4A Hydropower Project	64
September 2012	Chi Khe Hydropower Project	41

Management of Environmental Risks

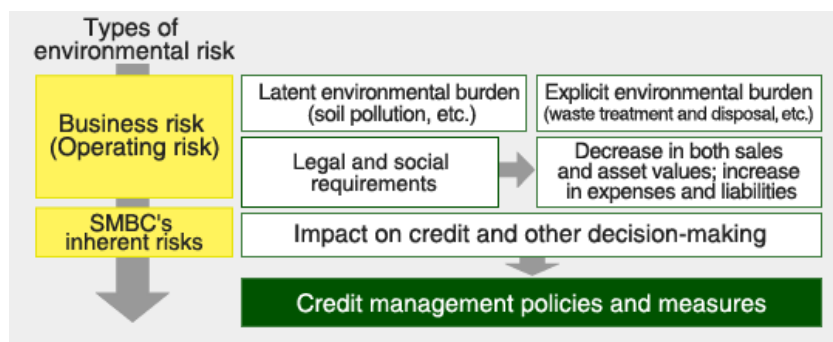
Managing Environmental Risks (SMFG Group)

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.

Types of environmental risk



Environmental and Social Risks in Loan (Credit) Activities (SMBC)

SMBC believes it is important to take into account the environmental risks for conducting credit assessment. Factoring environmental risks in the credit assessment (environmental credit risks) is stipulated in SMBC's Credit Policy, which sets forth the universal and basic philosophies, guidelines and rules for credit operations. The policy also declares that the bank will not execute loans to companies and businesses with the potential to negatively impact the environment to a significant degree.

Mitigating Soil Contamination and Asbestos Risk

To mitigate the risk of soil contamination at real estate collateral, SMBC requires that a soil contamination risk assessment be performed on real estate collateral that meets certain conditions. For collateral for which the risk is determined to be high, an amount equivalent to the level of risk is deducted from the valuation. The same approach is used for asbestos risk. When there are concerns about asbestos risk at collateral properties, an amount equivalent to the risk is deducted from the valuation based on conditions stipulated by SMBC, and it is recommended that the customer conduct an investigation. SMBC branches also perform investigations related to asbestos risk, and at buildings where asbestos is found, appropriate removal work is conducted.

Uses of Lent Funds Prohibited by Credit Policy

Credit Policy clearly stipulates that credit which is used for the production of cluster bombs and mass-destructive weapons is prohibited. Rigorous credit checks confirm that loans are not being used for these purposes. Lending is also prohibited to fund activities that contravene public order and morality or to fund projects with the potential to negatively impact the environment to a significant degree, including large-scale development and construction projects that have not conducted appropriate environmental assessments or formulated environmental management plans even though they may severely damage the habitats of endangered species, virgin forestland or tropical rainforests.

Environmental and Social Evaluation System for Large-Scale Project Finance (SMBC)

Large-scale projects have the potential to exert a major impact on the environment and society. The global community requires financial institutions providing financial support to projects to sufficiently consider their impact on the environment and society. SMBC has adopted the Equator Principles, a standard for environmental and social considerations by private-sector financial institutions when financing large-scale projects, and conducts environmental and social risk assessments through its Environment Analysis Department.

Refer to the information at the following link for more on the Equator Principles and SMBC's environmental risk assessments.

 [Working with the Equator Principles](#)

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)

Raising Awareness of Environmental Risks (SMBC)

SMBC distributes newsletters and reports from its Environment Analysis Department. With the goal of raising employee awareness, SMBC shares information on the latest trends in environmental matters from around the world and about environmental risks for which caution is heeded. The Bank conducts various types of internal training, such as group training at overseas bases and online courses, to disseminate within SMBC the process of environmental and social risk assessments.

The CSR Department also conducts a test on the Environmental Management System for all employees, aiming to foster environmental awareness among each and every employee.

Reduction of Environmental Impacts

Environmental Goals (SMFG Groups)

SMFG Group is working to further promote environmental activities by setting environmental goals respectively.

Please refer to the link below for environmental goals and performance of SMFG companies.

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

SMFG Group Environmental Data (SMFG Group)

The SMFG 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. In fiscal 2016, a reduction of approximately 4.7% of CO₂ emission was achieved compared to the previous fiscal year by conserving electricity throughout the Group and implementing energy-saving measures such as reducing use of elevators.

Please refer to the link below for environmental impact data of SMFG companies.

➤ [Environmental Impact Data of SMFG Group Companies](#)

Total CO₂ Emissions of SMFG Group

Measurement Items		SMFG Overall Totals				
		Units	Fiscal 2014	Fiscal 2015	Fiscal 2016	
						YoY change
Total CO ₂ emissions	Direct energy CO ₂ emissions	t-CO ₂	16,988.3	15,819.0	15,042.0	-777.0 (-4.9%)
	Indirect energy CO ₂ emissions	t-CO ₂ (emission coefficient)	175,443.2	172,028.1	165,203.8	-6,824.2 (-4.0%)
	Subtotal	t-CO ₂	192,431.5	187,847.1	180,245.9	-7,601.2 (-4.0%)
	Other energy consumption CO ₂ emissions	t-CO ₂	19,934.0	20,213.3	18,123.3	-2,090.0 (-10.3%)
	CO ₂ emissions from business trips	t-CO ₂	18,661.2	19,010.4	17,211.9	-1,798.5 (-9.5%)
	Total CO ₂ emissions	t-CO ₂ (emission coefficient)	212,365.5	208,060.4	198,364.2	-9,696.2 (-4.7%)

(Reference) Total electricity consumption of individual SMFG companies

Indirect energy consumption	Electricity	Thousand kWh	324,397	324,128	322,306	-1,822 (-0.6%)
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Note: The figures above represent the simple aggregate of emissions data from each of the 10 SMFG companies. Fiscal 2014 and 2015 data has been independently verified by the Japan Quality Assurance Organization.



Fiscal 2015 Greenhouse Gas Emissions Verification Report (1.17MB)

Fiscal 2016 data is currently being verified.

Please refer to the link below for environmental goals and performance of SMFG companies.

[▶ Performance Data and Goals of SMFG Group Companies](#)

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



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

Reducing Energy Consumption (SMBC)

SMBC sets objectives for reducing energy consumption, including electricity, and takes measures to reduce consumption through its own efforts. SMBC's activities include promoting visualization of energy consumption as well as expanding the scope of disclosure to environmental accounting, Scope 3 emissions and other areas. The bank is also working to make its head office building carbon neutral through the purchase of green power.

Environmental impact data, including SMBC's environmental accounting and energy consumption, can be found at the following links.

➤ [SMFG Group Environmental Data \(SMFG Group\)](#)

➤ [Environmental Impact Data of SMFG Group Companies](#)

Medium/Long-Term Reduction Target for Electricity Consumption (SMBC)

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.

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.

Environmental Features in Buildings (SMBC)

SMBC actively selects buildings with environmental 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.

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 improved exterior wall 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.

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.



SMBC East Tower which was completed in the summer of 2015



Osaka Head Office with renovations completed

Resource Conservation (SMBC)

Applying EMS rules (SMBC)

SMBC is promoting initiatives to conserve resources at every stage, from product purchase to use, disposal and recycling.

For example, for copy paper, which is used in large quantities by banks, SMBC purchases paper that is environmentally considerate and conforms with the Act on Promoting Green Purchasing. To do this, the bank confirms that the paper has been produced appropriately and that its raw materials have been procured appropriately based on the environmental policies disclosed by suppliers. At the usage stage, SMBC works to reduce consumption by promoting paper-free meetings and maintaining its Basic EMS Rules*. At the disposal and recycling stages as well, initiatives are promoted based on targets set for paper waste reduction.

*Overview of Basic EMS Rules

When using copiers and printers:

- Print only the necessary number of sheets by reducing the size, using double-sided copying, etc.

For saving energy:

- Set moderate temperatures: 28°C or above for air conditioning, 20°C or below for heating
- Conscientiously turn off the lights in meeting rooms when not in use and turn off the power of computers and office equipment

For water conservation:

- Do not flush the toilet twice or leave the water running in the staff kitchen

Green Purchasing (SMBC Nikko)

SMBC Nikko promotes the practice of "green" purchasing when it buys office supplies and other items. This involves closely considering the necessity of the purchase in light of the environmental impact and then selecting items that minimize the impact to the extent possible.

Saving Electricity through Continuing Participation in CO₂ Reduction/Light-Down Campaign (SMBCCF)

SMBC Consumer Finance has participated in the Ministry of the Environment's CO₂ Reduction/Light-Down Campaign since 2009. The initiative involves conserving electricity by turning off a portion of large billboards on the summer solstice and Tanabata (Star Festival) holiday and promoting no-overtime days. The company has appointed CSR Promotion Leaders in each department, who regularly communicate information and call on department members to reduce power consumption, cut back on paper use, thoroughly sort waste and recyclables and participate in other activities. They work to actively promote initiatives for reducing environmental impact.



CSR Promotion Leader Conference

Participation in “Kansai Ecology Office Movement” (KUBC)

KUBC aims to help prevention of global warming by participating in the Kansai Ecology Office Movement*, which undertakes environmentally considerate activities such as saving energy in the immediate surroundings.

*The Kansai Ecology Office Movement is an activity being conducted by the Union of Kansai Governments. Offices select from among 10 initiatives to implement in their immediate environment, which include setting appropriate heating and cooling temperatures and encouraging ecological driving practices, and declare them to the government. The offices are then registered as declaring their commitment to the movement, and through promoting the initiatives they work locally to further promote activities for preventing global warming.

Reducing Environmental Impact through business

Paper less initiatives

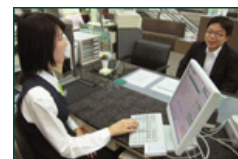
Paperless application procedures not only reduce environmental impact and raise customer convenience, they also eliminate the risk of information leaks connected with disposal of paper application forms. Rigorous management of the digitized data through access restrictions and other measures also further 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.

Eliminating Paper through Branch Terminals (SMBC)

SMBC uses the “CUTE” terminal developed jointly with NEC Corporation and Oki Electric Industry Co., Ltd. at all of its branches. CUTE terminals are designed from a customer-oriented perspective, with paper-free procedures that utilize high-performance image processing, new screens that allow simultaneous, “one-stop” administrative processing and customer service, STP* navigation with system guidance for process flows, and dialogue-based, low-counter services that reduce the paperwork burden on customers. ID confirmation records and ATM transaction content (ATM journals), which were previously recorded on paper, can now be digitized, helping to reduce paper consumption by over 3.0 million A4-size sheets annually.

Utilizing IT for administrative processes in connection with introducing CUTE terminals has produced streamlining effects equivalent to 200 people and has also helped the bank reduce customer wait times and provide high-level customer service. Going forward, we intend to continue raising productivity and promoting paper-free processes through the CUTE terminals.

*Straight Through Processing: Processing all administrative procedures related to customer transactions through a digital network



“CUTE” terminal

Paperless Application Procedures (Cedyna, SMBCCF, SMBC)

Cedyna 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 introduced a fully online service in November 2015 to allow all procedures, from applications to contracts, to be performed by customers online, which means they don't have to go to the post office or a bank branch. SMBC also provides a smartphone app for opening an account at the bank. Accounts can be opened simply and conveniently with only personal identification and a smartphone. All of these services help to enhance customer convenience and reduce paper use.

Paperless Statements (SMFG Group)

SMBC, Mitsui Sumitomo Card, and Cedyna encourage 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 Nikko Securities and SMBC Friend Securities provide an electronic distribution service that enables customers to use the Internet to view reports that would normally be sent in the mail, such as fund prospectuses. Some 10,000 customers have stopped receiving quarterly transaction balance reports and two or three prospectuses by regular mail, opting instead to view them online using this service. This has made it possible to reduce annual paper use by eight tons, the equivalent of around 160 trees*. We are therefore encouraging even more customers to take advantage of the service.

*As estimated by SMBC Nikko Securities. Based on transaction balance reports weighing approximately 50 g each and prospectuses weighing approximately 200 g each.

Other Initiatives to Reduce Environmental Impact

Eco Car Fleet (SMBC Nikko)

SMBC Nikko Securities is converting the fleet of cars it used for sales activities to more ecological models. Introducing eco cars can help reduce the fleet's CO₂ emissions and environmental impact.

Initiatives for Reducing Environmental Impact of Credit Cards (Cedyna)

For a material to make its credit cards, Cedyna actively uses a resin called PET-G that releases no harmful gases when burned. In addition, when cards are disposed of, a recycling process is used to extract the rare metals contained in the IC chips.

Performance Data and Goals of SMFG Group Companies

Environmental performance data and goals of SMFG group companies in fiscal 2016 are as follows.

Please refer to the link below for environmental impact data of SMFG companies.

[Environmental Impact Data of SMFG Group Companies](#)

Sumitomo Mitsui Banking Corporation (SMBC)

Promote Reduction of Environmental Impact

○: target achieved

△: target not achieved

	Goals for fiscal 2016	Performance in fiscal 2016	Result
Reducing and curbing energy consumption	Reduce CO ₂ emissions at the four head office buildings (Head Office, Head Office East Building, Osaka Head Office, and Kobe Head Office) to 73.9kg-CO ₂ /m ² or less (in line with previous year.)	72.5kg-CO ₂ /m ²	○
Reducing waste disposal burden	Ensure that the volume of final combustible waste after separation at the four head office buildings (Head Office, Head Office East Building, Osaka Head Office, and Kobe Head Office) is kept below 127 t (same level as last year.)	122t	○
Implementing initiatives aimed at promoting efficiency through paperless operations	Encourage use of SMBC Direct online banking services	Gained smartphone and smartphone app users and raised awareness through various promotions	○
	Promote Web passbooks	Conducted a system overhaul and promoted as planned	○
	Promote digitization of loan process	Expanded services and promoted using direct mail and other means	○

	Goals for fiscal 2016	Performance in fiscal 2016	Result
Increase operational efficiency	Reinforce use of SFA (sales assistance system)	Reinforced use by upgrading the system and conducting training	○
Education and training	Heighten awareness of environmental issues and encourage environment-friendly practices through comprehensive Environmental Management System (EMS) education and training	Conducted EMS education as planned	○

Managing Environmental Risks

	Goals for fiscal 2016	Performance in fiscal 2016	Result
Response to environmental credit risks	Monitor reflection of environmental risk in real estate collateral assessment	Achieved evaluation of soil contamination risk value more closely aligned with actual status	○
	Promote increased sophistication and efficiency in Environmental and Social Risk Assessment	<ul style="list-style-type: none"> Conducted internal training to promote employee understanding Issued reports to raise awareness of Environmental and Social Risk 	○

Environmental Businesses

	Goals for fiscal 2016	Performance in fiscal 2016	Result
Supporting corporate customers	Strengthen solutions and create business opportunities to respond to environmental management and as openings for environmental business	<ul style="list-style-type: none"> Executed environmentally friendly loans Conducted energy seminar Conducted PR advertising related to environmental business 	○
Strengthening operational frameworks	Provide environment-related operational support to responsible departments by each planning department	<ul style="list-style-type: none"> Supported promotion of operations related to renewable energy and smart cities Supported promotion of environment-related products 	○
Providing services	Promote Web21 online banking	Implemented promotion campaign	○
	Promote global cash management services (CMS)	Implemented joint promotional campaign at locations in Japan and overseas	○
	Promote services related to electronic monetary claims recording and services for bills payable (electronic monetary claims recording services)	Achieved target for the number of companies providing electronic monetary claims recording services and the number of registered institutions recording the Bank's electronic monetary claims	○
	Promote use of i-Deal	Promoted transactions using telemarketing and the i-Deal and Value Door portal websites	○

PR Activities, etc.

	Goals for fiscal 2016	Performance in fiscal 2016	Result
Internal and external PR	Effective PR for environment-related activities	<ul style="list-style-type: none"> Issued a disclosure report (integrated report) and an annual report Upgraded website Provided information to the mass media Provided internal notifications and information about environment-related activities using internal newsletters Participated in environmental exhibition 	○

Sumitomo Mitsui Finance and Leasing (SMFL)

○: target achieved

△: target not achieved

Promote Reduction of Environmental Impact

	Goals for fiscal 2016	Performance in fiscal 2016	Result
Energy usage (curbing CO ₂ emissions)	Reduce electricity usage to 70% or less than fiscal 2010 level	Reduced to 52.9% of the fiscal 2010 level	○
Paper usage	Reduce full-year 2016 use of copier paper organization-wide Reduce paper usage by 50% compared with fiscal 2010	Reduced paper usage by 49.8% compared with fiscal 2010	△
Employee education	Conduct CSR and environment training for young employees	<ul style="list-style-type: none"> Conducted induction training for new recruits Held course on processing expired leases Held compliance/CSR training Held EMS study sessions 	○
Implementing and studying environmental contribution activities and related measures	<ul style="list-style-type: none"> Promote environment-related social contribution activities Implement internal and external PR activities 	<ul style="list-style-type: none"> Participated in SMFG clean up campaigns Continued eco-cap collection activity Provided external information via SMFL and SMFG websites 	○

Managing Environmental Risks

	Goals for fiscal 2016	Performance in fiscal 2016	Result
Disposal of leased property	Continue implementing compliance programs and risk management systems	<ul style="list-style-type: none"> Conducted monitoring Achieved 100% operation of electronic manifests (by January 31) 	○

Environmental Businesses

	Goals for fiscal 2016	Performance in fiscal 2016	Result
Supporting corporate customers	Promote environmentally friendly lease transactions	<ul style="list-style-type: none"> Promoted renewable energies, mainly solar power Promoted hydrogen stations to support the spread of clean energy Promoted power-saving investment utilizing subsidies Participated in EcoPro ~International Exhibition on Environment and Energy 	○
	Promote purchase and sale of used machinery	<ul style="list-style-type: none"> Strengthened external procurement, strengthened links with branches and SMBC, strengthened handling of medical equipment Aggressively sold idle facilities (industrial machinery etc.) into Asia 	○

SMBC Nikko Securities (SMBC Nikko)

○: target achieved

△: target not achieved

Promote Reduction of Environmental Impact

	Goals for fiscal 2016	Performance in fiscal 2016	Result
Reduce amount of electricity consumption	Reduce by 10% compared with fiscal 2009 <ul style="list-style-type: none"> Verify trend in consumption per 1 m² of floor space (Reduce by 10% from 171 kWh in fiscal 2009) 	Total electricity consumption: 25,200,900 kWh <ul style="list-style-type: none"> Consumption per 1m² of floor space: 149.5 kWh (excluding data provided by landlords) 	○
Controlling greenhouse gas emission volume	Reduce by 10% compared with fiscal 2009 <ul style="list-style-type: none"> Verify trend in emissions per person (Reduce by 10% from 1,863 kg in fiscal 2009) 	Total greenhouse gas emission volume: 15,735,200 kg <ul style="list-style-type: none"> Emissions per person: 1,661 kg (excluding data provided by landlords) 	○
Improve waste sorting and recycling ratio	<ul style="list-style-type: none"> Strengthen management utilizing documented procedures Recycling rate: at least 65% 	<ul style="list-style-type: none"> Total waste volume: 1,200,729 kg Recycling rate: 70.4% (excluding data provided by landlords) 	○
Controlling water consumption	Maintain performance in line with fiscal 2009 <ul style="list-style-type: none"> Verify trend in consumption per person (10.38 m³ in fiscal 2009) 	Total water consumption: 46,500 m ³ <ul style="list-style-type: none"> Water consumption per person: 4.90 m³ (excluding data provided by landlords) 	○

	Goals for fiscal 2016	Performance in fiscal 2016	Result
Extending green purchasing and the ratio of green purchasing to total purchasing	Green purchasing ratio: 90% (including premium-grade paper) (Scope: Tokyo Dia Building No. 5, Yamatane Building Shinkan)	93.99%	○
Managing copier paper purchasing volume	Maintain a performance in line with fiscal 2015 <ul style="list-style-type: none"> Verify shift in usage per person (8,064 sheets in fiscal 2014) (Scope: Tokyo Dia Building No. 5, Yamatane Building Shinkan) 	Usage per person: 6,024 sheets	○

SMBC Friend Securities (SMBC Friend)

○: target achieved

△: target not achieved

Promote Reduction of Environmental Impact

	Goals for fiscal 2016	Performance in fiscal 2016	Result
Reducing electricity usage	<ul style="list-style-type: none"> Reduce energy usage ⇒Reduce electricity usage by 30% compared with fiscal 2010 	Reduced by 30%	○
Reducing copier paper usage	<ul style="list-style-type: none"> Reduce copier paper usage ⇒Decrease per-employee consumption by 10% compared with fiscal 2006 	Decreased by 10%	○
Reducing vehicle exhaust gas emissions	Reduce exhaust gas from company fleet	<ul style="list-style-type: none"> Safe driving courses for sales offices: held at 5 offices Safe driving courses for new recruits: held 	○
Employee education	<ul style="list-style-type: none"> Continue environmental education and training for employees while increasing awareness through the effective use of environmental websites ⇒Thoroughly implement specific energy- conservation initiatives 	<ul style="list-style-type: none"> Conducted environmental testing Provided summer and winter energy-conservation notices (association) on environmental website Introduced environmental website "CoolChoice" 	○

Environmental Businesses

	Goals for fiscal 2016	Performance in fiscal 2016	Result
Providing services	<ul style="list-style-type: none"> Promote use of information terminals such as iPads Promote provision of electronic delivery for online trading partners (online statements) 	Electronic delivery service provision: 20,631 cases (as of March 31, 2017)	○

	Goals for fiscal 2016	Performance in fiscal 2016	Result
Providing products	Continue the sale of environmentally conscious products	Cumulative sales: 24.7 billion yen	○
	Continue to issue reports outlining corporate information with respect to the environment and distribute them internally and externally ⇒Provide the industry and companies with information related to environmental business	Updated as needed	○

Sumitomo Mitsui Card Company (SMCC)

○: target achieved
△: target not achieved

Promote Reduction of Environmental Impact

	Goals for fiscal 2016	Performance in fiscal 2016	Result
Reducing electricity usage	Electric power: 1% reduction compared with fiscal 2014 in usage volume per unit area	Electric power: reduced consumption by 10.7% compared with fiscal 2014 (as of March 31, 2017)	○
Reducing paper usage	1% reduction compared with fiscal 2015 in copier paper usage volume per employee at the fiscal year-end	Copier paper: Decreased usage by 2.1% compared with fiscal 2015 (as of March 31, 2017)	○
Increase operational efficiency	Promote three measures or more for each division to increase operational efficiency	Promoted at all departments	○
Promote purchasing of green products	Maintain ratio of green product purchasing for stationery at 89% or above	Green product purchasing ratio: 94.4% (as of March 31, 2017)	○
Employee education	Thoroughly raise awareness of response to environmental issues through education and training	<ul style="list-style-type: none"> • Held workshops for CSR Committee members (April 2016) • Held workshops and check tests for each department (July 2016) • Participated in internal ISO 14001 auditor training course (July 2016) 	○

Environmental Businesses

	Goals for fiscal 2016	Performance in fiscal 2016	Result
Providing services	Promote online monthly statements to achieve 785,000 recipients per year	Online monthly statements generated for 933,100 recipients for the year (as of March 31, 2017) (Progress rate: 118.9%; 148,100 more than plan)	○
	Promote online enrollment to achieve 525,000 enrollments per year	659,400 online enrollments for the year (as of March 31, 2017) (Progress rate: 125.6%; 134,400 more than plan)	○

	Goals for fiscal 2016	Performance in fiscal 2016	Result
Providing services	Achieve 442,000 iD business transactions for the year	Generated 444,400 iD business transactions for the year (as of March 31, 2017) (Progress rate: 100.5%; 2,400 more than plan)	○

Cedyna Financial Corporation (Cedyna)

○: target achieved

△: target not achieved

Promote Reduction of Environmental Impact

	Goals for fiscal 2016	Performance in fiscal 2016	Result
Reducing electricity usage	Reduce electricity usage per floor area by 1% from fiscal 2015 (scope: whole company)	2.0% increase from fiscal 2015 (Electricity usage reduced by 3.3%)	△
Reducing copier paper usage	Reduce paper usage per person by 1% from fiscal 2015 (scope: whole company)	7.7% reduction from fiscal 2015	○
Green purchasing	Green purchasing ratio: 58%	Green purchasing ratio: 56.6%	△
Employee education	Provide employee education in all departments and branches	Held EMS workshops at all departments and branches	○

Environmental Businesses

	Goals for fiscal 2016	Performance in fiscal 2016	Result
Providing services	Promote switch to online monthly statements for card usage • Online monthly statement registration rate: 18%	Online monthly statement registration rate: 17.6% (up 17.3% compared with fiscal 2015)	△
	Promotion of C-Web (online application for shopping credit service) • Number of applications: 157,000	Number of applications: 139,248 (up 57.3% compared with fiscal 2015)	△

SMBC Consumer Finance (SMBCCF)

○: target achieved

△: target not achieved

Promote Reduction of Environmental Impact

	Goals for fiscal 2016	Performance in fiscal 2016	Result
Reducing copier paper usage	1% reduction in sheets outputted from multifunction printers compared to fiscal 2015 (scope: Head Office building)	0.4% increase compared with fiscal 2015	△

	Goals for fiscal 2016	Performance in fiscal 2016	Result
Reducing electric power usage	1% reduction in electric power usage compared with fiscal 2015 (scope: Head Office building)	4.3% increase from fiscal 2015	△
Thorough waste sorting	Ensure thorough waste sorting by conducting regular patrols (scope: Head Office)	<ul style="list-style-type: none"> Conducted waste patrols accompanied by the CSR promotion leader (once a month, Head Office) Shared results of waste patrols by email (once a month, Head Office) 	○

Foster Environmental Awareness

	Goals for fiscal 2016	Performance in fiscal 2016	Result
Employee education	Continue to conduct workshops related to EMS (scope: whole company)	<ul style="list-style-type: none"> Conducted CSR Promotion Leader meetings to assist understanding and penetration of CSR Conducted EMS workshops for all employees, and EMS self checks Conducted training for new recruits 	○
Information dissemination	Continuously disseminate relevant information (scope: whole company)	<ul style="list-style-type: none"> Distributed monthly email magazine "EMS News" to all employees Used EMS noticeboard on the company intranet to visualize information 	○

Japan Research Institute (JRI)

○: target achieved

△: target not achieved

Promote Reduction of Environmental Impact

	Goals for fiscal 2016	Performance in fiscal 2016	Result
Energy usage (curbing CO ₂ emissions)	Reduce CO ₂ emissions from annual energy use (Reduce usage by area by 1% compared with fiscal 2015)	Reduced usage by area by 1.5% compared with fiscal 2015	○
Paper usage	Reduce copier paper usage per employee (2% reduction compared with fiscal 2015)	Reduced paper use per employee by 2.6% compared with fiscal 2015	△
Procurement of stationery and office supplies	Reduce purchase volume of stationery and office supplies per employee (2% reduction compared with fiscal 2015)	Reduced purchase volume by 15.3% compared with fiscal 2015	○
Employee education	Conduct ongoing environmental education and training for employees while increasing environmental awareness	Conducted as planned	○

Environmental Impact Data of SMFG Group Companies

SMFG and its Group companies have earned recognition for their CSR initiatives in the form of various certifications and awards, detailed below.

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

[▶ Performance Data and Goals of SMFG Group Companies](#)

Sumitomo Mitsui Banking Corporation (SMBC)

Measurement Item		Unit	Fiscal 2014	Fiscal 2015	Fiscal 2016
Direct energy consumption	City gas	Thousand m ³	1,806.5	1,779.8	1,972.1
		t-CO ₂	3,921.5	3,860.4	4,277.8
	Liquefied petroleum gas (LPG)	t	11.0	11.0	11.4
		t-CO ₂	33.1	33.0	34.1
	Heavy fuel oil	kl	11.4	8.9	7.1
		t-CO ₂	30.9	24.2	19.4
	Light oil	kl	2.4	2.7	2.9
		t-CO ₂	6.1	6.9	7.5
	Kerosene	kl	4.5	4.3	4.8
		t-CO ₂	11.2	10.7	12.1
	Gasoline (automobile)	kl	2,405.8	1,984.9	1,848.8
		t-CO ₂	5,586.3	4,608.9	4,293.0

Measurement Item		Unit	Fiscal 2014	Fiscal 2015	Fiscal 2016
Indirect energy consumption	Electricity	Thousand kWh	159,214.6	160,623.3	158,573.7
		t-CO ₂ (emission coefficient)	83,969.7	82,722.1	80,105.9
	Steam	GJ	36,567.9	27,840.2	23,197.3
		t-CO ₂	2,834.7	2,158.2	1,798.0
	Hot water	GJ	1,935.2	1,845.5	1,857.6
		t-CO ₂	150.0	143.1	144.0
	Cold water	GJ	11,116.1	9,754.2	9,090.7
		t-CO ₂	861.7	756.1	705.0
Other energy consumption	CO ₂ emissions from business trips	t-CO ₂	9,260.7	9,383.9	7,861.5
	Total water and sewage	Thousand m ³	2,660.7	2,521.7	2,500.3
		t-CO ₂	1,197.3	1,134.7	1,125.1
Total CO ₂ emissions	Direct energy CO ₂ emissions	t-CO ₂	9,589.1	8,544.1	8,643.9
	Indirect energy CO ₂ emissions	t-CO ₂ (emission coefficient)	87,816.1	85,779.5	82,752.9
	Other CO ₂ emissions	t-CO ₂	10,458.0	10,518.7	8,986.6
	CO ₂ emissions total	t-CO ₂ (emission coefficient)	107,863.2	104,842.3	100,590.4

SMBC Trust Bank (SMBCTB)

Measurement Item		Unit	Fiscal 2014	Fiscal 2015	Fiscal 2016
Direct energy consumption	City gas	Thousand m ³	—	—	50.9
		t-CO ₂	—	—	114.2
	Gasoline (automobile)	kl	—	—	0.4
		t-CO ₂	—	—	0.9

Measurement Item		Unit	Fiscal 2014	Fiscal 2015	Fiscal 2016
Indirect energy consumption	Electricity	Thousand kWh	—	—	6,807.7
		t-CO ₂ (emission coefficient)	—	—	3,403.8
		t-CO ₂ (post-adjustment)	—	—	3,342.6
	Steam	GJ	—	—	55.8
		t-CO ₂	—	—	3.2
	Hot water	GJ	—	—	94.8
		t-CO ₂	—	—	5.4
	Cold water	GJ	—	—	1,881.5
		t-CO ₂	—	—	107.2
Other energy consumption	CO ₂ emissions from business trips	t-CO ₂	—	—	277.3
	Water supply	Thousand m ³	—	—	3.8
	Sewage	Thousand m ³	—	—	3.8
	Total water and sewage	Thousand m ³	—	—	7.5
		t-CO ₂	—	—	2.4
Total CO ₂ emissions	Direct energy CO ₂ emissions	t-CO ₂	—	—	115.1
	Indirect energy CO ₂ emissions	t-CO ₂ (emission coefficient)	—	—	3,519.7
		t-CO ₂ (post-adjustment)	—	—	3,458.4
	Other CO ₂ emissions	t-CO ₂	—	—	279.8
	CO ₂ emissions total	t-CO ₂ (emission coefficient)	—	—	3,914.5
		t-CO ₂ (post-adjustment)	—	—	3,853.3

Measurement Item		Unit	Fiscal 2014	Fiscal 2015	Fiscal 2016
Total CO ₂ emissions	CO ₂ (per square meters)	t-CO ₂ /Thousand m ³ (emission coefficient)	—	—	126.0
		t-CO ₂ /Thousand m ³ (post-adjustment)	—	—	124.0

*Started from 2016, due to the reorganization

Sumitomo Mitsui Finance and Leasing (SMFL)

Measurement Item		Unit	Fiscal 2014	Fiscal 2015	Fiscal 2016
Direct energy consumption	City gas	Thousand m ³	50.6	24.9	23.5
		t-CO ₂	115.9	57.1	52.0
	Light oil	kl	—	1.3	2.2
		t-CO ₂	—	3.3	5.8
	Gasoline (automobile)	kl	395.4	367.7	342.1
		t-CO ₂	917.3	853.7	794.2
Indirect energy consumption	Electricity	Thousand kWh	2,363.1	2,226.9	1,819.7
		t-CO ₂ (emission coefficient)	1,254.8	1,182.5	926.2
Other energy consumption	CO ₂ emissions from business trips	t-CO ₂	1,300.8	1,466.0	1,314.9
Total CO ₂ emissions	Direct energy CO ₂ emissions	t-CO ₂	1,033.2	910.8	846.2
	Indirect energy CO ₂ emissions	t-CO ₂ (emission coefficient)	1,254.8	1,182.5	926.2
	Other energy t-CO ₂ emissions	t-CO ₂	1,300.8	1,466.0	1,314.9
	CO ₂ emissions total	t-CO ₂ (emission coefficient)	3,588.8	3,559.3	3,087.3

SMBC Nikko Securities (SMBC Nikko)

Measurement Item		Unit	Fiscal 2014	Fiscal 2015	Fiscal 2016
Direct energy consumption	City gas	Thousand m ³	82.9	95.6	35.3
		t-CO ₂	186.0	214.5	79.2
	Gasoline (automobile)	kl	1,475	1,455.2	1,180.9
		t-CO ₂	3,422.0	3,376.1	2,739.7
Indirect energy consumption	Electricity	Thousand kWh	27,775.7	29,850.9	25,200.9
		t-CO ₂ (emission coefficient)	15,323.2	15,735.2	15,735.2
		t-CO ₂ (post-adjustment)	—	15,541.1	15,541.1
	Air conditioning systems	Thousand kWh	22,207.1	22,965.6	15,377.5
		t-CO ₂	1,265.8	1,248.9	876.5
Other energy consumption	CO ₂ emissions from business trips	t-CO ₂	3,753.3	3,746.8	3,500.1
	Total water and sewage	Thousand kWh	64.6	55.8	46.5
		t-CO ₂	29.1	25.1	20.9
Total CO ₂ emissions	Direct energy CO ₂ emissions	t-CO ₂	3,660.5	3,596.6	2,818.9
	Indirect energy CO ₂ emissions	t-CO ₂ (emission coefficient)	15,323.2	16,984.1	15,735.2
	Other energy t-CO ₂ emissions	t-CO ₂	3,782.4	3,771.9	3,521.0
	CO ₂ emissions total	t-CO ₂ (emission coefficient)	22,766.1	24,352.5	22,075.1

SMBC Friend Securities (SMBC Friend)

Measurement Item		Unit	Fiscal 2014	Fiscal 2015	Fiscal 2016
Direct energy consumption	City gas	Thousand m ³	25	26	25
		t-CO ₂	57.3	59.5	57.3
Indirect energy consumption	Electricity	Thousand kWh	4,475.0	4,537.0	4,512.0
		t-CO ₂ (emission coefficient)	2,488.1	2,522.6	2,508.7
		t-CO ₂ (post-adjustment)	2,201.7	2,232.2	2,219.9
Other energy consumption	CO ₂ emissions from business trips	t-CO ₂	779.5	735.3	766.6
Total CO ₂ emissions	Direct energy CO ₂ emissions	t-CO ₂	57.3	59.6	57.3
	Indirect energy CO ₂ emissions	t-CO ₂ (emission coefficient)	2,488.1	2,522.6	2,508.7
	Other energy t-CO ₂ emissions	t-CO ₂	779.5	735.3	766.6
	CO ₂ emissions total	t-CO ₂ (emission coefficient)	3,324.9	3,317.4	3,332.6

Sumitomo Mitsui Card Company (SMCC)

Measurement Item		Unit	Fiscal 2014	Fiscal 2015	Fiscal 2016
Direct energy consumption	City gas	Thousand m ³	151	157.0	190.0
		t-CO ₂	338.8	352.3	426.4
	Gasoline (automobile)	kl	43.3	46.5	39.7
		t-CO ₂	100.4	107.9	92.1
Indirect energy consumption	Electricity	Thousand kWh	9,044.8	8,834.2	8,420.3
		t-CO ₂ (emission coefficient)	4,762.2	4,600.8	4,268.4

Measurement Item		Unit	Fiscal 2014	Fiscal 2015	Fiscal 2016
Other energy consumption	CO ₂ emissions from business trips	t-CO ₂	780.4	830.2	676.7
	Total water and sewage	Thousand m ³	62.3	60.1	60.0
		t-CO ₂	28.0	27.0	27.0
Total CO ₂ emissions	Direct energy CO ₂ emissions	t-CO ₂	439.2	460.2	518.5
	Indirect energy CO ₂ emissions	t-CO ₂ (emission coefficient)	4,762.2	4,600.8	4,268.4
	Other energy t-CO ₂ emissions	t-CO ₂	808.4	857.3	703.7
	CO ₂ emissions total	t-CO ₂ (emission coefficient)	6,009.8	5,918.3	5,490.6

Cedyna Financial Corporation (Cedyna)

Measurement Item		Unit	Fiscal 2014	Fiscal 2015	Fiscal 2016
Direct energy consumption	Gasoline (automobile)	kl	398.9	382.7	363.8
		t-CO ₂	925.4	887.9	844.0
Indirect energy consumption	Electricity	Thousand kWh	9,312.1	8,310.6	8,361.1
		t-CO ₂ (emission coefficient)	5,016.0	4,330.0	4,235.7
		t-CO ₂ (post-adjustment)	4,969.0	4,296.0	4,200.4
	CO ₂ emissions from business trips	t-CO ₂	864.5	976.8	937.1
Total CO ₂ emissions	Direct energy CO ₂ emissions	t-CO ₂	925.4	887.9	844.0
	Indirect energy CO ₂ emissions	t-CO ₂ (emission coefficient)	5,016.0	4,330.0	4,235.7
	Other energy t-CO ₂ emissions	t-CO ₂	864.5	976.8	937.1
	CO ₂ emissions total	t-CO ₂ (emission coefficient)	6,806.0	6,194.7	6,016.8

SMBC Consumer Finance (SMBCCF)

Measurement Item		Unit	Fiscal 2014	Fiscal 2015	Fiscal 2016
Direct energy consumption	City gas	Thousand m ³	0.0	0.0	0.0
		t-CO ₂	0.0	0.0	0.0
Indirect energy consumption	Electricity	Thousand kWh	2,271.2	2,313.5	2,376.1
		t-CO ₂ (emission coefficient)	1,206.0	1,168.3	1,188.1
		t-CO ₂ (post-adjustment)	1,185.6	1,147.5	1,166.7
	Steam	GJ	0.0	0.0	0.0
		t-CO ₂	0.0	0.0	0.0
	Hot water	GJ	549.6	530.0	577.3
		t-CO ₂	31.3	30.2	32.9
	Cold water	GJ	4,806.1	4,209.8	8636.7
		t-CO ₂	273.9	240.0	492.3
Other energy consumption	CO ₂ emissions from business trips	t-CO ₂	703.3	694.9	668.2
	Total water and sewage	Thousand m ³	2.2	2.3	2.2
		t-CO ₂	0.7	0.8	0.7
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)	1,511.3	1,438.5	1,713.3
	Other CO ₂ emissions	t-CO ₂	704.0	695.7	668.9
	CO ₂ emissions total	t-CO ₂ (emission coefficient)	2,215.3	2,134.1	2,382.2
		t-CO ₂ (post-adjustment)	2,194.8	2,113.3	2,360.8

Measurement Item		Unit	Fiscal 2014	Fiscal 2015	Fiscal 2016
Total CO ₂ emissions	CO ₂ (per square meters)	t-CO ₂ /Thousand m ³ (emission coefficient)	154.9	149.2	166.6
		t-CO ₂ /Thousand m ³ (post-adjustment)	153.5	147.8	165.1

Japan Research Institute (JRI)

Measurement Item		Unit	Fiscal 2014	Fiscal 2015	Fiscal 2016
Direct energy consumption	City gas	Thousand m ³	22.0	28.0	50.2
		t-CO ₂	49.0	63.0	112.7
	Heavy fuel oil	kl	98.0	122.0	92.8
		t-CO ₂	266.0	331.0	251.4
	Kerosene	kl	39.0	43.0	33.9
		t-CO ₂	97.0	107.0	84.4
	Gasoline (automobile)	kl	13.4	19.6	20.4
		t-CO ₂	31.1	45.5	47.4
Indirect energy consumption	Electricity	Thousand kWh	82,617.0	82,301.0	80,361.6
		t-CO ₂ (emission coefficient)	43,614.0	42,112.0	40,366.3
Other energy consumption	CO ₂ emissions from business trips	t-CO ₂	1,125.3	1,085.8	1,089.0
Total CO ₂ emissions	Direct energy CO ₂ emissions	t-CO ₂	443.1	546.5	496.0
	Indirect energy CO ₂ emissions	t-CO ₂ (emission coefficient)	43,614.0	42,112.0	40,366.3
	Other energy t-CO ₂ emissions	t-CO ₂	1,125.3	1,085.8	1,089.0
	CO ₂ emissions total	t-CO ₂ (emission coefficient)	45,182.4	43,744.3	41,951.2

THE MINATO BANK (Minato)

Measurement Item		Unit	Fiscal 2014	Fiscal 2015	Fiscal 2016
Direct energy consumption	City gas	Thousand m ³	28	34	38
		t-CO ₂	61.9	76.8	86.6
Indirect energy consumption	Electricity	Thousand kWh	13,534.0	12,406.0	12,809.0
		t-CO ₂ (emission coefficient)	7,064.7	6,587.7	6,569.5
Other energy consumption	CO ₂ emissions from business trips	t-CO ₂	41.9	39.7	45.9
	Total water and sewage	Thousand m ³	39.3	33.8	33.5
		t-CO ₂	17.7	15.2	15.0
Total CO ₂ emissions	Direct energy CO ₂ emissions	t-CO ₂	61.9	76.8	86.6
	Indirect energy CO ₂ emissions	t-CO ₂ (emission coefficient)	7,064.7	6,587.7	6,569.5
	Other CO ₂ emissions	t-CO ₂	59.6	54.9	60.9
	CO ₂ emissions total	t-CO ₂ (emission coefficient)	7,186.2	6,719.4	6,717.0
	CO ₂ (per square meters)	t-CO ₂ /Thousand m ³ (post-adjustment)	66.2	66.6	58.7

Kansai Urban Banking Corporation (KUBC)

Measurement Item		Unit	Fiscal 2014	Fiscal 2015	Fiscal 2016
Direct energy consumption	City gas	Thousand m ³	33.4	42.5	36.8
		t-CO ₂	75	95.5	82.7
	Heavy fuel oil	kl	8.4	3.5	3.5
		t-CO ₂	23	9.6	9.6
	Kerosene	kl	0	5.6	6.1
		t-CO ₂	0	14.1	15.2

Measurement Item		Unit	Fiscal 2014	Fiscal 2015	Fiscal 2016
Direct energy consumption	Gasoline (automobile)	kl	293.1	265.9	267.0
		t-CO ₂	680.5	617.4	620.0
Indirect energy consumption	Electricity	Thousand kWh	13,789.5	12,786.7	13,092.2
		t-CO ₂ (emission coefficient)	6,592.8	6,490.5	6,032.9
		t-CO ₂ (post-adjustment)	5,998.3	5,586.3	5,018.4
Other energy consumption	CO ₂ emissions from business trips	t-CO ₂	51.6	50.9	74.4
Total CO ₂ emissions	Direct energy CO ₂ emissions	t-CO ₂	778.5	736.6	727.5
	Indirect energy CO ₂ emissions	t-CO ₂ (emission coefficient)	6,592.8	6,490.5	6,032.9
	Other energy t-CO ₂ emissions	t-CO ₂	51.6	50.9	74.4
	CO ₂ emissions total	t-CO ₂ (emission coefficient)	7,422.9	7,278.0	6,820.7

Promoting Environmental Management Integrated with Business

The Group Environmental Policy (SMFG Group)

Basic concepts

Recognizing the importance of realizing a sustainable society, SMFG 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.

The Group Environmental Policy

- We provide environment-friendly financial products, information and solutions which support our clients in their efforts to preserve the eco-system.
- We devise means to reduce environmental risks posed by our own activities and the society.
- We are determined to fulfill our social responsibilities through the conservation of resources and energy, and the reduction of waste.
- We strictly comply with environment-related laws and regulations.
- We practice the highest level of information 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.
- We place high priority on thoroughly educating our staff about our environmental principles to ensure that they conform to these principles in the performance of their work.
- 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.
- These policies are disclosed on the Group's website, and the printed version is available upon request.

SMBC Environmental Policy

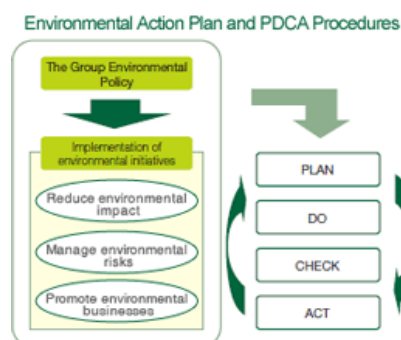
Recognizing that it is essential for companies to address environmental issues in order to survive, SMBC has formulated the following policy.

- SMBC will aim to achieve an ideal vision as a good corporate citizen, and pledges to continue taking initiatives to protect the global environment, prevent pollution, and achieve harmony with corporate activities.
- To oversee these initiatives, SMBC has established the CSR Committee and assigned environmental officers.
- In addition to complying with environmental laws and regulations, SMBC will also take steps to use the earth's environmental resources more efficiently through its business activities, acquire an accurate understanding of environmental aspects in risk management as a financial institution, and support customers in dealing with environmental issues by providing them with information. To this end, SMBC will set objectives and targets to be reviewed each fiscal year, and will strive to continuously improve its initiatives on environmental issues.

- SMBC will strive to ensure that all employees are aware of the policy and conduct internal training to see that the policy is followed.
- SMBC will send a copy of the Environmental Policy to any external party that requests it.

Three Pillars of the Group's Activities (SMFG Group)

The three pillars of our environmental action plan are: 1) "Reduction of impacts on environment," 2) "Management of environmental risks," and 3) "Promoting environmental businesses." We have set environmental objectives for each environmental activity and follow the procedures of Plan, Do, Check, and Act (PDCA) for such environmental activities.



Environmental Management System (EMS) based on ISO14001 certification (SMFG Group)

The environmental management certification of ISO14001 has been obtained by SMFG and its major companies (SMBC, Sumitomo Mitsui Finance and Leasing ("SMFL"), SMBC Nikko Securities, SMBC Friend Securities, Sumitomo Mitsui Card, Cedyne, SMBC Consumer Finance and The Japan Research Institute("JRI")). In 1998, SMBC was the first bank in Japan to obtain this certification.



ISO 14001 assessment underway

ISO14001 Certification Status

Company	The scope of certification acquisition
SUMITOMO MITSUI FINANCIAL GROUP, INC.	HEAD OFFICE
SUMITOMO MITSUI BANKING CORPORATION	HEAD OFFICE, EAST TOWER, OSAKA HEADQUARTERS, KOBE
SUMITOMO MITSUI FINANCE & LEASING COMPANY, LIMITED	TOKYO HEAD OFFICE, TAKEBASHI OFFICE, OSAKA HEAD OFFICE, MG LEASING CORPORATION, SMFL RENTAL COMPANY, LIMITED
SMBC NIKKO SECURITIES INC.	TOKYO DIA BUILDING NO.5, NEW YAMATANE BUILDING ANNEX 6F, 7F & 8F, NIKKO ENTERPRISE CO., LTD., NIKKO RESEARCH CENTER, INC.

Company	The scope of certification acquisition
SMBC FRIEND SECURITIES CO., LTD.	HEAD OFFICE
SUMITOMO MITSUI CARD COMPANY, LIMITED	TOKYO HEAD OFFICE, OSAKA HEAD OFFICE
CEDYNA FINANCIAL CORPORATION	TOKYO HEAD OFFICE
SMBC CONSUMER FINANCE CO., LTD.	HEAD OFFICE
THE JAPAN RESEARCH INSTITUTE, LIMITED	TOKYO HEAD OFFICE SECTION



 [ISO 14001 Management System Certificate](#)

Promotion of Environmental Education (SMBC, Cedyne)

SMBC distributes internal newsletters and reports from its Environment Analysis Department and broadly shares the latest environmental information for the purpose of raising the environmental awareness of employees. The CSR Department also conducts a test on the Environmental Management System for all employees, aiming to foster environmental awareness among each and every employee.

Cedyne promotes environmental education to help ensure that all employees understand the importance of engaging in environmental activities and do so voluntarily as a part of their day-to-day work. Cedyne's environmental education has two pillars: awareness education, which provides all employees with basic environmental knowledge, and specialized education, which is for departmental staff in charge of promoting environmental matters and involves training personnel to lead environmental management activities through the acquisition of specialized knowledge related to environmental management systems. In addition, all employees receive monthly newsletters on environmental activities and other related topics to further enhance their environmental awareness.

Environmental Compliance (SMFG)

There were no breaches during Fiscal 2016.

Environmental Accounting (SMBC)

At SMBC, the Environmental Analysis Department (ENAD) sends out its monthly ENAD Newsletter to other departments and employees within the bank, sharing news related to the environment from around the globe as well as articles on specific projects in order to further raise environmental awareness among employees.

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	Fiscal 2014	Fiscal 2015	Fiscal 2016	YoY change*1
(1) Business area costs	-	4,391	3,243	377	-2,866
Breakdown	(1)-1 Pollution prevention	117	696	104	-592
	(1)-2 Global environmental conservation	4,246	2,516	242	-2,274
	(1)-3 Resource re-use/ recycling	28	31	31	0
(2) Upstream & downstream	-	-	-	-	-
(3) Administration	Development and operation of environmental management framework, disclosure of environmental information, etc.	15	16	18	-2
(4) Research and development	-	-	-	-	-
(5) Social activity	Donations related to environmental protection, etc.	51	50	50	0
(6) Environmental remediation	-	-	-	-	-
Total		4,457	3,309	445	-2,864

2.Environmental Conservation Benefits

Figures here reflect initiatives at our 507 domestic branches.

Measurement Items		Units	Fiscal 2014	Fiscal 2015	Fiscal 2016	YoY change*2
Direct energy consumption	City gas	Thousand m ³	1,807	1,780	1,972	192
	Liquefied petroleum gas (LPG)	t	11	11	11	0
	Heavy fuel oil	kl	11	8	7	-2
	Light oil	kl	2	3	3	0
	Kerosene	kl	5	4	5	1
	Gasoline (commercial vehicle, etc.)	kl	2,406	1,985	1,849	-136
Indirect energy consumption	Electricity	Thousand kWh	159,215	160,623	158,574	-2,050
	Steam	GJ	36,568	27,840	23,197	-4,643
	Hot water	GJ	1,935	1,846	1,858	12
	Cold water	GJ	11,116	9,754	9,091	-663
Other energy consumption	CO ₂ emissions from business trips	t-CO ₂	9,260	9,384	7,862	-1,522
	Total water and sewage	Thousand m ³	2,661	2,522	2,500	-21
		CO ₂	1,197	1,135	1,125	-10

*1 Year-on-year change = FY2016 – FY2015. A negative figure indicates a cost decrease.

*2 Year-on-year change = FY2016 – FY2015. A negative figure indicates a decrease in consumption.

Both cost and consumption decreases show the data by SMBC.

Environment-Related Social Contribution Activities

Environment communication

Exhibit at Environmental Trade Fair (SMFG Group)

The SMFG Group exhibits at the International Exhibition on Environment and Energy (EcoPro), one of Japan's largest environment-themed exhibitions held every December. At the Group's booth in fiscal 2016, we showed visitors our environmental businesses and services as well as the CSR and environmental activities of individual Group companies through panel displays and other media.

For further details, please refer to the following link.



SMBC: Fiscal 2016 Activities Report (Exhibiting at 2016 EcoPro) (Japanese only)

Publication of Corporate Environmental Magazine SAFE (SMFG)

Since 1996, the holding company SMFG has published this magazine containing interviews with top management of environmentally advanced companies, analyses of business and regulatory trends, and other beneficial information for corporate environmental activities.

For further details about the corporate environmental magazine SAFE, please refer to the following link.



"SAFE" Corporate Environmental Magazine

Support for Environmental Photo Contest (SMFL)

SMFL helps sponsor the EARTH PHOTO CONTEST sponsored by President Inc. and backed by the Ministry of the Environment. For the contest, environmental themes were chosen by SMFL and the other 10 co-sponsors, and photos appropriate for each theme were solicited from the general public, with prizes awarded in the name of each of the companies. Fiscal 2017 was the eighth year SMFL has co-sponsored the contest.

The theme chosen by SMFL was "Bridges Connecting People, Living Organisms, and Nature." This theme reflects the importance of the relationships between people and the earth's environment, which is the relationship that people share with plants, animals and all of nature.

The Sumitomo Mitsui Finance and Leasing Prize was awarded in January 2017 to one of the 934 entries received. The winning entry shows a girl holding a lantern properly paying respects to her ancestors and her mother watching her with a tender gaze, conveying the warmth of people connecting with each other across the generations.

Local cleanup activities by employees

SMFG clean up campaigns (SMFG Group)

The SMFG Group conducts cleanup events through the efforts of officers and employees of Group companies. In fiscal 2016, cleanups were held on the Suma Beach (Kobe) on September 25, the banks of the Arakawa (Tokyo) on October 1, and Yodogawa Shirokita Park (Osaka) and Fujimae-Higata (Nagoya) on October 15. A total of 1,007 officers and employees from SMFG Group companies and their families took part in the activities, working together as a single group, beyond workplace and company boundaries, to help protect the environment.

Dates	Venue	Number of participants
9/25	➤ Suma Beach (Hyogo Prefecture)	322 people
10/1	➤ Arakawa banks (Tokyo)	236 people
10/15	➤ Yodogawa Shirokita Park (Osaka)	151 people
10/15	➤ Fujimae-higata tidal flats (Nagoya)	298 people

Green Week (SMBC Nikko)

SMBC Nikko Securities has held "Green Week" since the fall of 2010 to reinforce its environmental protection and social contribution activities. The purpose of the event is to facilitate communication with local communities and among participants through participation in social contribution activities while deepening understanding of environmental protection. It also provides an opportunity for large numbers of officers and employees to voluntarily participate in CSR activities, while also further fostering a sense of unity (fiscal 2016).

Local Environmental Beautification Initiatives (Cedyna)

Cedyna conducts cleanup activities every month around its Tokyo head office and Kikukawa office as a locally rooted initiative to beautify the environment. The Tokyo head office has conducted the activity since 2007, and it has been held over 100 times as of fiscal 2016. The company will continue to conduct the initiative to help further beautify the local environment.



Helping Protect the Global Environment Through Employee Participation (SMBC CF)

SMBC Consumer Finance promotes cleanup activities by employees on a voluntary basis as a part of its local contribution activities. Cleanup activities are held around the head office building by approximately 80 employees on each "Chuo City Machikado Clean Day," which is held every month. The company also conducts voluntary cleanup activities around the areas of its Customer Service Centers and Guarantee Centers as it actively works to protect local environments.



Participation in the “Osaka Marathon Cleanup Campaign” (JRI)

JRI participated in the “Osaka Marathon Cleanup Campaign,” a cleanup activity covering all of Osaka City tied to the Osaka Marathon. The activity, sponsored by Osaka City, aims to clean up public areas ahead of the Osaka Marathon so that visitors to the city are greeted with beautiful streets, squares and parks.

Local Cleanup Activities at New Employee Training (KUBC)

Kansai Urban Banking Corporation conducts cleanup activities on the banks of Lake Biwa (Otsu, Shiga Prefecture) as a part of its training program for new employees.

In fiscal 2016, 194 new employees split up into two groups and picked up empty cans, cigarette butts and other trash along an approximately eight-kilometer stretch of the Lake Biwa shoreline, learning the importance of community connection and environmental preservation activities.



Environmental Protection Activities at West Lake (SMBC (China) Hangzhou Branch)

Public-benefit activities were held at the Hangzhou Branch on September 10, 2016. Approximately 30 employees conducted a cleanup on the shores of West Lake. The cleanup provided the opportunity to learn the importance of environmental protection and health in general. It also gave employees the chance to actively socialize, enjoy the West Lake scenery and rejuvenate themselves.



Tree-planting activities (SMBC (China))

Employees from the SMBC (China) volunteered with their families to conduct tree-planting activities to promote greening in the local community.

Environmental Education for Employees and Others (KUBC)

Kansai Urban Banking Corporation holds a “hands on” environmental learning experience for children accompanied by parents on the theme of Lake Biwa (Japan’s largest lake and known as “Mother Lake Biwa” in the Kansai region).

In fiscal 2016, 40 people comprised of families participating from Shiga Prefecture and other areas boarded a specially chartered vessel and conducted water-quality surveys and plankton observation on Lake Biwa (Otsu, Shiga Prefecture), before taking a tour of the Lake Biwa Museum.



Next Generation - Toward a vibrant society that balances maturity and growth

Management Approach

Recognition of Social Issues

Many issues remain that must be resolved to create a vibrant and sustainable society. In developed countries, these include personnel and successor shortages and economic stagnation caused by low birthrates and aging populations, while emerging countries are facing the widening gap between rich and poor in connection with rapid economic development and urbanization, among other issues. The UN's Sustainable Development Goals (SDGs) aimed at addressing global social needs including education, health, social protection and employment opportunities were accepted.

In the financial services field, we are being called upon to promote capacity expansion and financial inclusion through business activities and conduct social risk assessments that include human rights considerations in connection with financing and investing projects.

SMFG Group's Approach

Through maximum utilization of its financial functions, the SMFG group will promote the fostering of industries and human resources for the next generation, improved financial literacy, and market development for sound economic growth in emerging countries.

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

- Support for growth industries
- Resolution of social issues in emerging countries
- Promotion of financial literacy education for all generations

SMFG Group's Management

In financial services, we promote business activities based on guidelines and principles including the UN Global Compact and Equator Principles initiatives. To improve financial literacy, we are promoting initiatives to increase executive and employee participants in financial and economics education programs.

Overview of Fiscal 2016 Activities Summary and Issues

In fiscal 2016, we engaged in many new initiatives including the release of a money management learning tool app to help elementary school students manage their allowances and carried out bookkeeping classes for high school students in collaboration with the Tokyo Metropolitan Government as part of efforts to provide financial and economic education and career training to a wide range of generations. We also participate in the National Movement to Support Children's Futures, a Cabinet Office-led program that aims to enable all children to grow up equally. Overseas, we supported vocational training schools in Indonesia and have continued to promote teacher training programs in Myanmar for the purpose of training human resources to bring about economic development in emerging countries since fiscal 2015.

In fiscal 2017, the SMFG Group will leverage its Groupwide expertise within and outside of Japan to promote financial and economic education.

Main Indicator

Number of participants in financial and economic education courses run by SMFG companies



Support for Growth Industries

Supporting Commercialization as the Foundation of Japan's Growth Strategy (SMBC, JRI)

The Japan Research Institute (JRI) launched the "Incubation & Innovation Initiative," a business consortium of cross-sector alliances, together with SMBC in 2016. The consortium will support the commercialization of highly progressive technologies and business ideas that will form the foundation of Japan's growth strategy.

For details:

 **Incubation & Innovation Initiative**

Business Development for Accommodating a Society with Extremely Large Number of Senior Citizens (SMBC)

In March 2015, Healthcare & Medical Investment Corporation (HCM), which was established by three main sponsor companies, SMBC, Ship Healthcare Holdings Co., Ltd. and NEC Capital Solutions Limited, was listed on the Real Estate Investment Trust ("REIT") securities market of the Tokyo Stock Exchange.

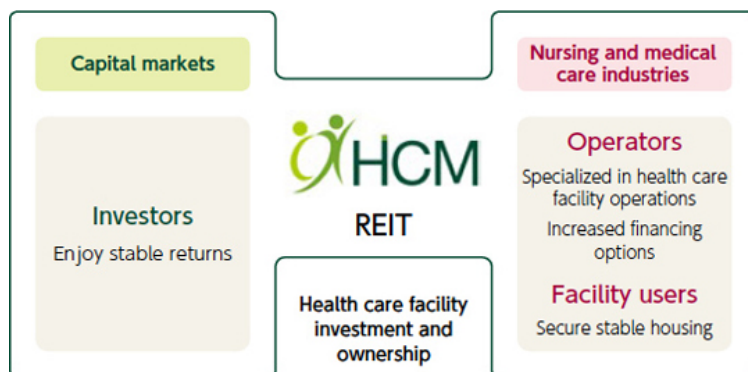
This initiative is the first of its kind by a city bank to promote the supply of facilities and housing for seniors and medical-related and other healthcare facilities, which is an urgent priority in Japan with its rapidly aging population.

Social Background Rapidly Aging Population and Shortage of Healthcare Facilities

With Japan's population aging rapidly, the shortage of infrastructure that is needed for seniors to live normal lives while receiving the medical and nursing care they require has also been recognized in the government's "Japan Revitalization Strategy—Japan is Back," and addressing this and other issues caused by aging is an urgent priority.

Role of Healthcare REIT

Healthcare REIT aim to connect capital markets with the nursing and medical care industries, which are expected to expand as societal demand for such services continues to increase, through stable investment and ownership of healthcare facilities.



Contributing to Customers, Society

Through establishment of this healthcare REIT, SMBC is now able to meet customer needs that it was previously not able to meet. For example, needs relating to the securitization of healthcare facilities owned by customers and with the development of healthcare facilities with a view to ownership by a healthcare REIT.

SMBC will continue its aggressive pursuit of innovative initiatives without being tied to convention, aiming to meet the individual needs of its customers. In doing so, SMBC will actively work to translate its initiatives into solutions to the issues faced by society.

Nursing and Medical Care



- Specialization and networks in nursing and medical care industry
- Extensive experience operating healthcare facilities
- Broad business development based on partnerships with medical institutions
- Dispatch of personnel with expert knowledge of nursing and medical care industry

Fund Management



- General financial services company of the NEC Group
- Development of investment and financing through funds, etc. and advisory services centering on subsidiary RISA Partners, Inc.
- Provision of expertise related to fund administration and support related to temporary ownership of properties through funds

Financial



- Top-class domestic track record of financing for J-REITs
- Broad customer base as a financial institution with a position as one of Japan's megabanks
- Finance-related advice and referrals of customers with needs related to healthcare facility securitization

Support for Commercialization of iPS Cell Research (SMBC)

Overview

The transfer of technologies to industry is an essential part of integrating the various results of research performed at universities and other institutions back into society. In order to promote this, it is also extremely important to strengthen management and utilization systems for the related intellectual property. In light of this, SMBC is working to integrate research results into society and contribute to it through support for the commercialization of the iPS cell research being conducted by Prof. Shinya Yamanaka of Kyoto University, who won the 2012 Nobel Prize in Physiology or Medicine.

What are iPS Cells?

Induced pluripotent stem cells (iPSs) are a new type of stem cell discovered in 2006 by a Kyoto University team led by Prof. Yamanaka. Theoretically, they have the potential to create all the cells that make up the body, from nerves to the heart, and so are called "pluripotent" stem cells. Establishing technologies to create iPS cells from the cells of patients themselves would open the way to transplant therapies without a rejection response. iPS cells are therefore expected to be applied to regenerative medicine, new drug development, analysis of disease causes and other areas.

One issue in iPS cell research has been the creation of a specific scheme for transferring technologies to industry and returning the benefit to society. So, in June 2008, SMBC joined with Kyoto University, Daiwa Securities Group Inc. (now Daiwa Corporate Investment Co., Ltd.), and NIF SMBC Ventures Co., Ltd. (now SMBC Venture Capital) to establish a business preparatory company named iPS Holdings and the intellectual property management and application company iPS Academia Japan, Inc. in order to address this issue. Through multifaceted support for these two companies, which includes funding and providing business information, we are working to support the commercialization of iPS cell research results.

The SMBC Group will continue contributing to science and medicine for a sustainable society by serving as a bridge joining academia and industry so that concrete results are achieved in a win-win relationship.

Commercialization Initiatives

In March 2009, the intellectual property management and application company iPS Academia Japan concluded its first patent licensing agreement related to iPS cells with a private-sector company. This was also the first such domestic agreement for Kyoto University as the licensor and constituted the first step in transferring this technology to industry. Currently in Japan both the public and private sectors are striving to have iPS cell technologies used widely for the health and welfare of all humankind.

SMBC will continue to help incorporate research results into society through support for the commercialization of iPS cell research.

Supporting SME Business Succession (KUBC)

SMEs with succession-related issues have been increasing as the owner population has aged. KUBC actively works to support successor development, asset transfer, M&A and other areas to solve business succession issues so that its clients' businesses are smoothly handed off to the next generation.

Management Support for Medium-Sized Companies and SMEs (SMBC)

SMBC implements appropriate measures for finance facilitation and economic vitalization by meticulously understanding circumstances of each client and making diverse proposals for finance facilitation, as we strongly believe that our social responsibilities are to proactively provide funding to meet the needs of our medium-sized and SME clients and to support measures for their management improvement.

For example, we provide the Business Select Loan, a loan product that does not require collateral or a third-party guarantee. With regard to financing guaranteed by credit guarantee associations as well, guarantees unique to SMBC are available through partnerships with credit guarantee associations in each region. In this way, we continue to accommodate the funding needs of customers.

We continue to provide funds and support the management of medium-sized companies and SMEs which support the Japanese economy.

Support for Global Business Development (SMBC)

With more of our customers entering overseas markets, there is a growing need not only for financing and fund management but also for solutions to a variety of issues, including those related to business customs and culture and regulatory interpretations.

Through its Global Advisory Department, which supports customers developing business operations overseas, SMBC is working at both domestic and overseas branches to strengthen its ability to help solve customers' cross-border issues. As a part of this, we regularly provide information through the Global Advisory Department on economic and investment conditions in countries around the world, hold country seminars, including on China and countries in Asia and South America, as well as practical trade seminars, and provide the latest information to customers considering entering overseas markets on the local situation, various regulations, industry trends, and other matters. In addition, for customers already doing business globally, we respond to needs related to business expansion and reorganization and provide high-quality support and solutions in line with each customer.

Resolution of Social Issues in Emerging Countries

Global Strategy for Financial Inclusion (SMFG)

SMFG Group views training of the next generation of leaders in emerging countries as crucial for promoting the further development of emerging countries as part of its Asia-centric strategy outlined in its Medium-term Management Plan. The SMFG Group is conducting human resource training programs in collaboration with business partners from Japan and overseas or with NPOs/NGOs and providing scholarship funding support through foundations in each country. Developing human resources who will become global leaders contributes to financial inclusion and development for the entire society.

Signing a Memorandum of Understanding on CSR Activities with Indonesian Company (SMBC)

On the March 26, 2015, SMBC and PT Bank Sumitomo Mitsui Indonesia 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. Going forward, we intend to carry out CSR activities in various fields, such as supporting human resource development in various fields and Japanese language education.

Promoting CSR Activities in Myanmar (SMBC)

SMBC obtained approval to open a branch in Yangon, which began operations in April 2015. 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.

SMBC will continue to support customer business activities with a greater range of services in Myanmar, where increasing investment is expected especially in the Thilawa Special Economic Zone, and through its partnership with alliance partner Kanbawza Bank Limited, the country's largest private bank, it will work to further enhance banking services. The bank will also engage actively to help develop human resources through teachers and thereby contribute to the country's further development.

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



SMBC: Fiscal 2015 Activities Report (Memorandum of understanding concluded with UNICEF Japan on education support in Myanmar) (Japanese only)

Promoting CSR Activities in India (SMBC New Delhi Branch)

The SMBC New Delhi Branch in India promotes CSR activities primarily in rural areas through an alliance with the local NGO, Drishtee Foundation. The organization was chosen as the bank's CSR partner due to its work in Indian rural areas over 15 years, its collaborations with the State Bank of India, which is the country's largest, and its track record of projects with numerous Japan-affiliated corporations. SMBC is actively promoting local initiatives that include local staff members helping to hold field days at elementary schools.



Support for Education in Asia (SMBC Global Foundation)

The SMBC Global Foundation based in the United States has provided scholarships to over 6,000 university students studying in Asia since 1994. It also supports a Japan training trip sponsored by a high school in Harlem, New York City, and matches donations made by employees of SMBC.



Support for Children's Development in Thailand (SMBC Bangkok and Chonburi Branches)

SMBC's Bangkok Branch and Chonburi Branch in Thailand support local orphanages through employee donations and the SMBC Inspiration Fund, which provides support for social, cultural, and educational development.



Promoting Innovative Thinking in Local Schools (SMBC New Delhi Branch)

Over two days in February, over 40 SMBC New Delhi staff and family engaged with more than 100 students and their parents in two rural schools – the Oasis Inter-College & Saraswati Shishu Mandir – both situated around 160km away from the city of New Delhi in Naujheel.

The program name, Disha, means 'Direction' in local language Hindi. Disha is one of the flagship programs that SMBC has undertaken in the community to promote innovative learning. Organised by SMBC's CSR partner, Drishtee Foundation, the program seeks to promote activity-based learning in the schools of Naujheel, particularly in the areas of language, maths and home skills. The aim of the visits was to help SMBC better understand the program and monitor the outcome.



SMBC Thailand Giving Back to the Community in Thailand (SMBC Bangkok Branches)

Staff from SMBC Bangkok visited the outskirts of northeast Bangkok in Nakorn Rachasima prefecture to spend November 5 with 200 students and teachers from Ban Moo-See school.

The team presented the school with monetary donations to purchase traditional Thai musical instruments, as well as to support the building of a pavilion to be used as an open learning space. Management also bought toys and snacks. In turn, the students performed a dance and shared delicious Thai desserts they made in school.



SMBC Malaysia Organizes First-ever Blood Donation Drive (SMBC Malaysia)

SMBC Malaysia organized its inaugural blood donation campaign on 23 February 2016 at the Asia Pacific Training Department's (APTD) Seminar Room located in the office.

More than 40 staff and family members from SMBC Malaysia, SMBC Labuan Branch and SMBC SSC successfully donated their blood during the campaign that was conducted by a team from the National Blood Centre (of Malaysia).



Malaysia Staff Celebrate Eid with Visit to Orphanage (SMBC Malaysia)

In conjunction with the festive season of Eid, SMBC staff in Malaysia organized a party on Jul 16 for the children of Cemerlang Home for Special Children, a home for orphans and special needs children.

In the true spirit of Team SMBC, the staff brought along cash donations and basic necessities such as groceries, stationery, games and clothing for the children.

During the party, the children were treated to a magic clown show and received goody bags and Eid money. They squealed in delight at the spread of Eid delicacies specially prepared for them. The children also took the opportunity to showcase their talents by performing traditional Islamic choir (called 'nasyid') and playing the 'kompang', a Malay drum.

Cemerlang Home for Special Children is home to 116 orphans and special needs children. The home is located in the town of Rawang which is approximately an hour's drive from Kuala Lumpur.



Promotion of Financial Literacy Education for All Generations

Approach to Enhancing Financial Literacy (SMFG Group)

Modern societies face various problems related to money, such as financial crime and excessive indebtedness. By conducting financial and economic education on a Group-wide basis for a wide range of age groups from children to adults, SMFG seeks to realize a society where everyone has accurate knowledge related to money and can live with peace of mind.

Personal Finance Support Tool (SMFG Group)

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

Sumitomo Mitsui Asset Management Company: How to build asset (Japanese only)



How to build asset

SMBC Nikko: Investing information service "FROGGY" (Japanese only)



FROGGY

Financial and Economic Education (SMFG Group)

Initiatives of SMFG Group companies.

 **SMBC: Financial and Economic Education (Japanese only)**
 **SMBC Nikko: Financial and Economic Education**
 **SMCC: Culture, Arts, and Education (Japanese only)**
 **SMBCCF: The Realization of a Lively Society and a Happy and Healthy Lifestyle for People**
 **Minato: Social and Environmental Activities and Programs (Japanese only)**
 **KUBC: Environmental Initiatives, Initiatives for the Next Generation, Community Support Initiatives (Japanese only)**

For Elementary School Students

Initiatives for Elementary School Students

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 2016, the program was conducted at three sites, in Tokyo, Nagoya, and Kobe, and a total of 126 students in 57 groups participated.

For more information about the bank tour program, please visit the following website.

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

SMBC Children's Visitation Day and Go Home Early with Family Day (SMBC)

SMBC holds "Children's Visitation Day" and "Go Home Early with Family Day" to allow children and other family members to come visit the workplaces of employees. The programs are intended to promote work-life balance and to deepen the understanding of family members for the work being done by the bank. "Children's Visitation Day" is an event for children of employees to learn about and experience banking operations. In fiscal 2016, a total of 182 people in 71 groups participated at the Tokyo and Osaka head offices. The children learned about banking in a lesson-style session and also practiced bill-counting and doing calculations on an adding machine, deposited and withdrew funds using a simulated ATM and engaged in various other activities and tasks to deepen their understanding of banking. A commemorative photo with the president was also taken during the event.

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.

Summer Break Bank Tour for Children (KUBC)

KUBC holds the "Summer Break Bank Tour for Children" every year for elementary school children and their parents or guardians. The event provides children with an opportunity to learn the role of money and the job of a bank. It was held for the fifth time in 2016 and 197 people participated in total. The participants toured the lobby and deposit box area, practiced counting bills, experienced the weight of ¥100 million in cash, saw how passbooks are created, and more.



銀行の矢張りなことを知っていたことをより深く知ったので
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りその他にもおもしろいことがたくさんあったので楽し
かったです。またさんかしてみたいです。

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 KidZania Tokyo and KidZania Koshien (SMBC)

SMBC has “branches” at KidZania, a vocational experience theme park 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. We aim to give kids the opportunity to have fun learning about how the financial system works through experiences involving money, such as opening an account and building savings.

For further details, please refer to the following link.

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

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.

“Hello! Money” Financial Education App (SMCC)

SMCC has released the “Hello! Money” money management learning tool app for parents and children as part of its efforts for financial education. The app helps elementary school students manage their allowances. The app is provided free of charge and is intended to teach children the basics of personal finance by having them experience how money works from an early age. The app gives 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.



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.

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

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.

Support for Shinagawa Financial Park (SMBC)

SMBC has supported the activities of Shinagawa Financial Park, which offers economic training programs for junior high school students, since June 2005. Financial Park is a fictitious town where partner companies in various sectors, such as finance, telecommunications, restaurants, and supermarkets, use vacant classrooms at a junior high school in Tokyo's Shinagawa Ward to set up booths that simulate actual offices, branches and stores. The program is operated jointly by the headquarters of the economic education organization Junior Achievement Japan and Shinagawa Ward. Students study the basics of finance beforehand and then experience and learn about various economic activities through the booths set up within the park to develop their economic understanding.

A new Financial Park to follow the one in Shinagawa opened in Iwaki City, Fukushima Prefecture in June 2014, and SMBC has set up a booth there as well. The park was established with contributions from a fund started by Qatar in the Middle East for the reconstruction following the Great East Japan Earthquake. The purpose of the park is to teach children in the disaster-affected region about the importance of the roles of various jobs and to help in the reconstruction.

Support for Children's Banks (SMBC)

We also support the operations of Children's Banks set up at schools.

For example, a Children's Bank has been operated at Aikoku Gakuen since 1948. The program involves a bank counter set up at the school to teach students the importance of saving. The children are able to save their money by using the bank counter. SMBC supports the program as the parent bank and also holds a talk every year on the importance of saving during the school's Student's Bank Festival.

Workplace Tour and Learning Program (KUBC)

KUBC provides workplace experiences to local elementary and junior high school students as a part of its support for career education. The students tour ATM and safety deposit box areas, and experience exchanging business cards and counting paper money to learn about financial systems and the roles of a bank. The program has been very popular with the students. At the workplace tour and learning program for junior high school students held in November 2016, participants learned about working at a bank and the etiquette expected of working adults, experienced work at the bank, and toured the facilities.



Practical Classes at Special Needs Schools (Minato Bank)

In fiscal 2016, Minato Bank held classes for students aspiring to work at a company at three schools: Hyogo Prefecture Special Needs High School in July, for 23 students, Kasai City Special Needs School in December, for eight students, and Hyogo Prefectural Inamino School for Students and Children with Special Needs in February, for 32 students. On the day of the class, a video created by the bank and actual bank passbooks and cash cards were used as teaching materials, and the students conducted a number of practical activities, such as filling out the actual documents used to open a bank account.

Hold the Shiga Championships of Economics Koshien, the National High School Finance Quiz Championship (KUBC)

KUBC holds a local preliminary tournament in Shiga Prefecture for the National High School Finance Quiz Championship National High School Financial Quiz Tournament (Economics Koshien) to provide local high school students the opportunity to learn about finance and economics through a fun event. In fiscal 2016, 48 students in 24 teams took written quizzes, played buzzer-style quiz games, and participated in other activities with a place in the national tournament at stake. It was a heated and lively competition.



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 18 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 10,000 times and over 630,000 people have participated (as of March 31, 2017).



For College Students

Initiatives for University Students

Internships for College Students (SMBC, KUBC)

SMBC has provided internships since 2006 to offer students the opportunity to think through their own career options. In fiscal 2016, 187 students from 78 universities participated (30 from 30 universities during spring break, and 157 from 59 universities during summer break). The students were given the opportunity to experience investment bank operations, retail banking planning, market transactions, and other operations in an on-the-job training format. KUBC also accepts college interns and provides them the opportunity to acquire basic banking knowledge, engage in various banking processes, and experience the etiquette required of working adults.



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 2016, we presented lectures to approximately 6,200 students at 59 universities.

Minato Bank also works to provide opportunities for students, the community's next generation, to learn practical business skills. For example, in October 2016, the bank sent instructors to University of Hyogo and conducted a class on pursuing a career in the local region.



Providing College Courses (SMBC Nikko)

The sound development of capital markets requires the provision of opportunities for basic education on economics and finance.

SMBC Nikko Securities, in cooperation with group company Nikko Research Center, Inc., provides courses related to finance and economics, securities investment, and other subjects, dispatches instructors, and conducts other activities to help students acquire securities-related knowledge as a part of their general education.

Financial Literacy Promotion Project for College Students (SMBC Nikko)

SMBC Nikko Securities partnered with Oceanize, Inc. in January 2015 to launch the UNISA* project to increase the financial literacy of college students.

● UNISA project activities

The project conducts questionnaires and holds discussions to grasp the state of financial literacy among college students, as well as holding roundtable discussions with international exchange students and other events for college students. Questionnaire results, roundtable photos, event scenes and more are posted as appropriate on a dedicated website.

● Creation of a money textbook for college students

SMBC Nikko Securities and Oceanize, Inc. have created a money textbook for college students with the title "Dreams and Reality of College Students and Talk of Money" since 2016. In 2017 approximately 110,000 copies were distributed free of charge to universities nationwide (106 universities, 139 campuses) at book co-ops and other outlets.

To continue to broadly promote financial literacy going forward, SMBC Nikko Securities will continue to conduct initiatives that incorporate the perspectives of college students while thinking together with them about the financial literacy they need.

*UNISA is the name of a project to help raise the financial literacy of college students. It combines the words "University" and "NISA" and was coined by the SMBC Nikko Securities NISA Planning & Promotion Office and Oceanize, Inc.

"IT & Financial Business Frontlines" Open Innovation Workshop (JRI)

JRI, in partnership with Kobe University, held the "IT & Financial Business Frontlines" open innovation workshop in December 2016 for undergraduate juniors and seniors and first-year master's degree students for the purpose of developing the next generation of human resources that will create new value. The workshop conducts practical project-based learning (PBL) using actual business case studies on the themes of IT strategy in the financial business and financial system planning. Participants acquire multifaceted perspectives on IT and finance while gaining an understanding of how the financial business can be changed by IT. The workshop also provides programs for learning about working in teams, the feeling of working on the business frontlines, the skills of working adults, and other topics.

Support for "Grand Prix for Development of Fundamental Competencies for Working Persons!," an Educational Program for College Students (SMBCCF)

SMBC Consumer Finance has co-sponsored the "Grand Prix for Development of Fundamental Competencies for Working Persons!" since fiscal 2012 to support student growth and development.

The "fundamental competencies for working persons" are specifically three abilities: the "ability to step forward," "ability to think through," and "ability to work in a team." These were defined by the Ministry of Economy, Trade and Industry in 2006 as the "basic abilities required in working together with various people in the workplace and in the local communities." The company will continue to promote activities for development of the next generation and contribute to the realization of a future full of smiling faces.



For Working Adults

Initiatives for Working Adults

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.

Training for Public Employees of Shiga Prefecture (KUBC)

KUBC dispatched an instructor to the "Brush-up Seminar," an interactive training program for younger public employees conducted by the Shiga Prefecture Policy Training Center in August 2016, where the instructor gave a lecture on understanding corporate financial statements (corporate accounting).



Community - Toward a Healthy and Distinctive Community in Which Everyone Can Participate

Management Approach

Recognition of Social Issues

The survival of local communities in Japan and other countries is under threat due to phenomena such as natural disasters of unprecedented severity and the outflow of young people. There is a need to build communities that can mitigate the impact of natural disasters and bounce back from such disasters through mutual help and support. In Japan, along with the rapidly aging population, creating a society where senior citizens and people with disabilities can live safely and securely and also actively participate, as exemplified by enactment in April 2016 of the Act on the Elimination of Discrimination against Persons with Disabilities, have become society-wide issues. The financial services sector is being called to recognize its responsibilities and take action not only in the areas where it has operations, but in wider communities including borrowers and investees.

SMFG 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 should assist in making a better society in the future by pursuing diverse social contribution activities in order to fulfill responsibilities as a "responsible corporate citizen."

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

- Contribution to achieving and developing safe and secure communities
- Promotion of social inclusion in collaboration with NGOs and NPOs
- Support for reconstruction in areas impacted by large-scale natural disasters

SMFG 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.

Fiscal 2016 Activities Summary and Issues

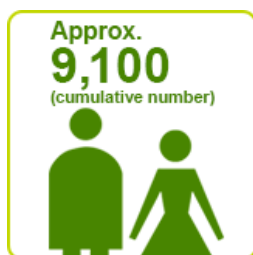
In fiscal 2016, SMBC continued to make donations to organizations tackling various social issues in Japan and overseas, financed by the Volunteer Fund, which is funded by voluntary donations from SMBC officers and employees. We also ran volunteer activities with participation from Group company employees. In addition to our Tohoku recovery support efforts that have continued since 2011, our support for areas struck by disaster includes activities assisting areas affected by the Kumamoto Earthquakes in April 2016, where 52 employees from SMFG engaged in volunteer activities including searching for valuables and household belongings from under collapsed houses to separating garbage.

In our efforts to create safe and secure branches, SMFG has trained more than 10,000 staff as supporters for clients suffering from cognitive impairment and as care service assistants through March 31, 2017, as well as started Universal Manners training and displaying pictograms to explain its efforts to introduce universal design at its branches.

In fiscal 2017, by strengthening collaboration with NPOs and the like and increasing activities as a unified body, SMFG will take on solving social issues in even more communities.

Main Indicator

Number of officers and employees participating as volunteers



(Approximately 9% of all employees)

Policy for Social Contribution Activities

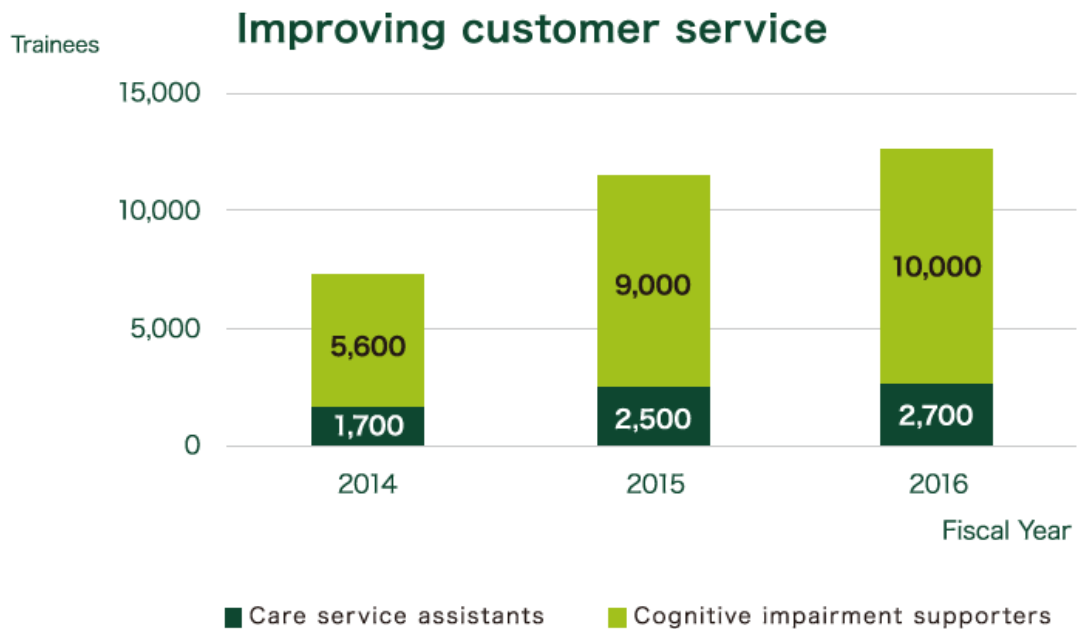
SMFG and its Group companies fully understand their roles as responsible corporate citizens, and perform social contribution activities for realizing a prosperous and sustainable society. We continue to plan and execute social contribution activities as a corporate citizen while supporting volunteer activities of employees, in order to proactively perform social contribution activities.

Contribution to Achieving and Developing Safe and Secure Communities

Creating Branches that People Can Visit with Confidence (SMFG Group)

The SMFG 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 2,700 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, 2017, there are approximately 10,000 specialized staff members to assist people with cognitive impairment assigned mostly at its branches.



Cognitive Impairment Supporter Seminar



Cognitive Impairment Seminar for newly-hired employees



Training Materials (DVD)

Implementation of Universal Design and Universal Service at Branches (SMBC)

SMBC is working to make its branches consistent with universal design principles. When facilities and equipment are introduced at branches, they are verified in advance at the development stage for whether they are also easy to use for people with disabilities, and after they are installed, we gather feedback from customers, which is then used to raise service levels.

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

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

Equipment Response (SMBC)

<p>Pictogram Display</p>	<p>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.</p> 
<p>Braille Blocks for Visually Impaired</p>	<p>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 453 of 463 branches as of March 31, 2017)</p> 

ATMs for the Visually-Impaired

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)

The reception number display devices installed at teller counters are being replaced as branches are renovated with displays that incorporate universal design principles for color, which make them easier to read for seniors and people with visual impairments.

(New displays have been installed at 464 branches as of March 31, 2017.)



EQ displays

Writing Tools

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

<p>More Convenient Form Entry</p>	<p>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.</p> <div data-bbox="536 315 770 495">  </div> <div data-bbox="807 315 995 495">  </div> <div data-bbox="584 508 719 533" data-label="Caption">Cane holders</div> <div data-bbox="798 508 1002 533" data-label="Caption">Lap tables for writing</div>
<p>Installation of Automated External Defibrillators (AEDs)</p>	<p>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.</p> <div data-bbox="536 730 798 1088">  </div> <div data-bbox="740 1090 798 1113" data-label="Caption">AED</div>

Service Response (SMBC)

<p>Braille Services</p>	<p>We also have Braille versions of contractual terms for regular and time deposits, etc., end-of-month balance notices and time deposit transaction notices.</p>
<p>Lower Fees for Counter Transfer Orders</p>	<p>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.</p>
<p>Reading and Writing Assistance</p>	<p>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 handed differs depending on the nature of the transaction)</p>
<p>Utilizing Customer Feedback</p>	<p>We conduct various initiatives to sincerely consider customer feedback and provide greater levels of customer satisfaction.</p> <div data-bbox="536 1861 1203 1951">  SMBC: Utilizes Customer Feedback in its Operations (Japanese only) </div>

Inquiry Desk for People with Disabilities (SMFG Group)

Dedicated forms for customers with visual or language impairments (SMBC)	<p>Dedicated inquiry forms are made available for customers that have visual or language impairments.</p> <div data-bbox="555 353 1345 436">  SMBC: Dedicated forms for customers with visual or language impairments (Japanese only) </div>
Sign language / written inquiry service (SMCC)	<p>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.</p> <div data-bbox="555 611 1345 734">  SMCC: News Releases: SMCC Revises Sign Language / Written Inquiry Service (Summary of Sign Language / Written Inquiry Service) (Japanese only) </div>

Group Company Initiatives

Training of Certified Life-Savers (Cedyna)

Even though automated external defibrillators (AED) 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.

Cedyna 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.



Participating in Local Protection Activities for Seniors (KUBC)

Based on a comprehensive partnership agreement with Shiga Prefecture, since October 2016 Kansai Urban Banking Corporation (KUBC) has participated in local protection activities to help ensure that the prefecture's senior citizens are able to continue living safely and securely in the places they are used to living.

Other Group Company Initiatives

- **SMBC Nikko Securities Initiatives**

 **SMBC Nikko Securities: Initiatives responding to the onset of aging society (Japanese only)**

- **Minato Initiatives**

 **Minato: Build customer friendly branches (Japanese only)**

- **KUBC Initiatives**

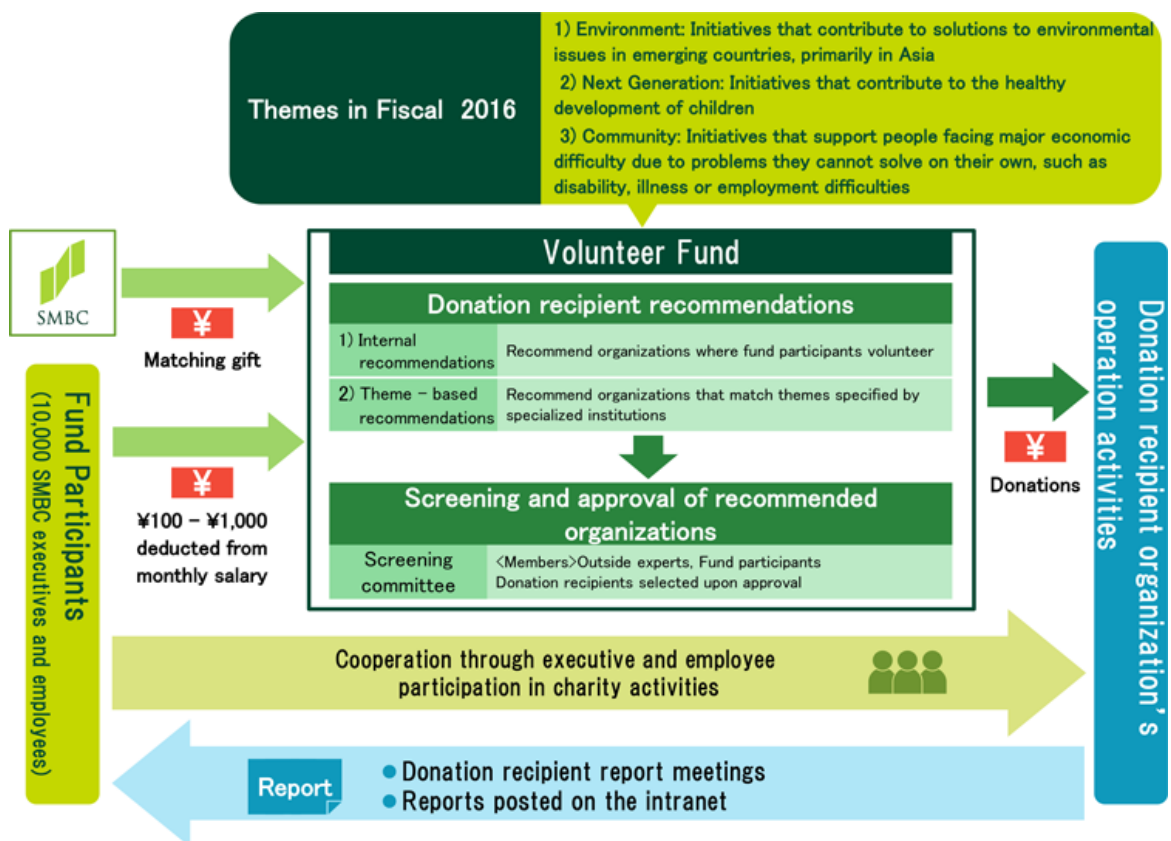
 **KUBC: Build customer friendly branches (Japanese only)**

Promotion of Social Inclusion in Collaboration with NGOs and NPOs

SMBC Volunteer Fund (SMBC)

The SMBC Volunteer Fund is funded by deducting ¥100 to ¥1,000 from the monthly salaries of executives and employees who have joined the program. The bank administers the fund as a matching gift program in which an amount corresponding to the amount of money raised is added to the total each year. As of March 2017, around 10,000 people are participating. The fund allows participating executives and employees to be actively involved in selecting donation recipients while also enabling the participation of outside institutions and experts to incorporate a specialized perspective. The charities receiving donations are able to come and give reports on how the funds are being used and to provide direct feedback. There has also been an initiative since fiscal 2013 enabling the executives and employees to participate in the charities' activities.

Donations in fiscal 2016 totaled ¥21.4 million.



1. Donation Recipient Recommendations

1) Internal Recommendations

Fund participants are able to recommend organizations where they regularly volunteer to be donation recipients.



Organization providing support for child-raising through opening after-school facilities, etc.



Organization supporting the activities of people with disabilities in Asia

2) Theme-Based Recommendations

Specific themes are selected, and organizations that conduct highly effective activities related to the themes are recommended by specialized outside institutions.

In fiscal 2016, in line with SMFG's three priority issues, "Environment," "Next Generation" and "Community," we received recommendations related to initiatives that contribute to solutions to environmental issues in emerging countries, primarily in Asia, initiatives that contribute to the healthy development of children, and initiatives that support people facing major economic difficulty due to problems they cannot solve on their own, such as disability, illness or employment difficulties.

Overseas



International volunteer medical organization: Medical activities in Myanmar



Support for escaping poverty and becoming self-reliant: General store in Cambodia

In Japan



Youth rehabilitation and development activities: Recording a DJ program at a youth training facility



Environmental protection and restoration activities: Nature observation group

2. Screening and Approval of Recommended Organizations: Screening Committee Convened

A screening committee made up of outside members (experts) and internal members (fund participants) screens the organizations recommended in 1) and 2) above and selects donation recipients. In fiscal 2016, donations were made to 34 organizations (14 internally recommended and 20 externally recommended) after screening and approval by 2 outside and 15 internal members.



3. Reporting to Fund Participants: Donation Recipient Reporting Meetings

Organizations receiving donations are invited to the bank to reporting meetings where they describe how the donations have been used. By listening directly to NPOs involved in solutions to social issues, fund participants learn how their donations are being used and also deepen their understanding of the significance of charity organizations and projects. In addition, donation reports are posted on the bank's intranet and results are related back to fund participants.



Themes in Fiscal 2016

- 1) Environment: Initiatives that contribute to solutions to environmental issues in emerging countries, primarily in Asia
- 2) Next Generation: Initiatives that contribute to the healthy development of children
- 3) Community: Initiatives that support people facing major economic difficulty due to problems they cannot solve on their own, such as disability, illness or employment difficulties

SMBC Volunteer Fund Donation Recipients (Partial, Fiscal 2016)

Organization	Main region for activities	Organization overview	Project supported by the donation
NPO Rosy Bell	Sendai, Tohoku, Hokkaido	<p>Rosy Bell provides the protection and help that young people trying to get back on their feet need to recover and reestablish their independence and thereby contributes to the rehabilitation and sound development of young people.</p> <p>The group listens for SOS signals from young people facing a variety of problems like delinquency, bullying, and abuse, and provides support while getting to know them better.</p>	<ul style="list-style-type: none"> • Operation of the Rosy House youth home, which takes in young people with no homes and supports their rehabilitation and independence • Introduction of employment opportunities to young people, support for stable employment and help with returning to school • Support for reintegration of families • Provision of phone consultations on various problems, including child-raising, abuse, suicide, delinquency and bullying • Creation of a monthly original DJ program for three juvenile training facilities in Tohoku and Hokkaido; etc.
NPO Groundwork Mishima	Mishima, Shizuoka Prefecture	<p>Groundwork Mishima coordinates and collaborates with residents, government agencies and private-sector companies to restore and recreate the natural environment of Mishima, the "City of Water," while providing recommendations and assistance and conducting projects related to creating systems for involvement in local environmental improvement activities and environmental education. In conducting these activities the group seeks to build local, independent systems that involve the participation of the whole community.</p>	<ul style="list-style-type: none"> • Restoration of water environment • Protection of natural environment • Restoration of wasteland areas • Community-built parks • School biotopes • Environmental education • Environmental community businesses • Human resources development and entrepreneurial support

Organization	Main region for activities	Organization overview	Project supported by the donation
NPO Japan Heart	Myanmar, Cambodia, Laos	With a basic philosophy of delivering medicine to places medicine does not reach, Japan Heart works to bring medicine to 1. Places overseas that struggle with poverty or a lack of doctors; 2. Remote areas and isolated islands in Japan; and 3. The hearts of children battling disease.	<ul style="list-style-type: none"> Clinical medical activities, practical instruction for local medical professionals, and provision of scholarships for medical students in Myanmar, Cambodia and Laos Support for AIDS orphans and children from impoverished families, and activities to support the autonomy of people with visual disabilities in Myanmar

SMBC Friend Securities Green Fund (SMBC Friend)

SMBC Friend Securities established the SMBC Friend Securities Green Fund in June 2015. The fund receives regular contributions of 100 yen from participating officers and employees that are deducted each month from their salaries, and then once a year a donation is made to an organization working in fields related to the environment. The contribution per individual is by no means large, but when large numbers of officers and employees continue to give, substantial support can be provided. In fiscal 2016, a donation was made to an organization conducting a project to replant a protective shoreline forest that was damaged in the tsunami of the Great East Japan Earthquake.



Social Contribution through Products and Services (Cedyna)

Cedyna issues a socially contributing credit card as a part of its efforts to contribute to society together with card members through its credit card business. When card members use the card, a portion of the amount spent is donated to charity organizations at no cost to the card member. The “Atom Card” issued since 2003 makes ongoing donations to charities that conduct activities that qualify as “activities that make children’s dreams come true” and “activities that help children,” and a cumulative total of approximately ¥48.0 million has been donated as of June 30, 2017.



Atom Card

Fair Trade Products Sale (Cedyna)

Cedyna partnered with Wakachiai Project Inc. to hold its first fair trade products sale at its Tokyo head office in 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.



10 Years of "Yakusoku no Mori" Initiatives (SMBCCF)

SMBC Consumer Finance introduced the "Yakusoku-no-Mori" donation matching program*1 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. Employees also participate in socialization training*2 for dogs that are candidates to become hearing assistance dogs. The company conducts these and other support activities on an ongoing basis.

*1 "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.

*2 Training for dogs to enable them to adapt to human society while encountering various people and experiencing new sounds, smells, sensations and other stimuli.

Participation in Project to Provide Christmas Cards to Children in Disaster-Affected Regions (SMBC Taipei Branch)

The SMBC Taipei Branch delivered over 30 Christmas cards to children in regions affected by the Great East Japan Earthquake and Kumamoto Earthquakes through an NPO co-sponsored by Taiwan Nihonjinkai's Japan-Taiwan Exchange Committee.



Support for Universities through a Scholarship Program (SMBC (China))

Sumitomo Mitsui Banking Corporation (China) Limited provided scholarships in 2016 for students at the following six universities: Shanghai International Studies University, East China Normal University, Soochow University, Zhejiang University, Sun Yat-sen University, and Tianjin Foreign Studies University. The scholarship project has been conducted since 2008. Going forward, the bank intends to continue partnering with universities around the country to communicate the bank's appeal to even more local students and fulfill its corporate social responsibilities in China.



SMBC Singapore Raises Funds for Cancer Kids (SMBC Singapore)

On 13th July, SMBC Singapore held a fundraising festival for its adopted charity, the Arc Children's Center* that looks after disease-stricken children. Organised by Foong Yen Ang from PDAPD's Business Strategy Group and the five summer interns, the festival raised over S\$8,000 (approx. US\$5,900). The event also gave colleagues an opportunity to catch up with from various departments or make new friends as they enjoyed their purchased meals.



* Arc Children's Center, the beneficiary, is an organization dedicated to nurturing children with cancer or other life-threatening diseases.

Providing Donations and Cooperation to Local Charity Organization New York Cares (SMBC New York Branch)

SMBC's U.S. offices and branches, donates US\$25,000 each year through the SMBC Global Foundation to New York Cares*, a local charity organization. Furthermore, around 30 to 50 employees volunteer to participate in charitable activities held twice a year by New York Cares in the spring and fall. These have included cleanup of New York City parks and cleanup, painting, and other maintenance of the city's public schools.



* New York Cares is one of the largest charitable organizations in New York City. It conducts various activities that contribute to the city's development, including support for the homeless and children, cleanup and maintenance of schools and parks, vocational training and referrals, soup kitchens, and measures to address the problem of animal abuse.

Donations to Charity Organizations (SMBC Europe)

Employees of Sumitomo Mitsui Banking Corporation Europe (SMBCE) conducted volunteer activities in their spare time. SMBCE contributed to charitable organizations through an in-house fund, and also used a matching-gift program under which it donated a certain amount for every donation made by its employees.



Support for Japanese Language Drama Contest for South Korean Students (SMBC Seoul Branch)

SMBC's Seoul Branch gave donations to the "National Japanese Drama Competition for Students" to provide opportunities for Korean students to learn Japanese and further understand Japanese cultures.



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

Support for People Affected by Disasters through Core Business

Aid Donations through Funds (SMBC Nikko)

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.

Supporting the Reconstruction of Areas Affected by Earthquakes through Our Core Business (SMBC)

SMBC has been working through its core business to support the reconstruction of the areas affected by earthquakes by providing housing loans with special interest rates for individual customers and special funds for corporate customers. We will continue to support projects for reconstructing and revitalizing disaster-affected areas.

Please refer to the following links for more information on SMBC's disaster-related initiatives.

 [SMBC: SMBC's Response to the Great East Japan Earthquake \(Japanese only\)](#)

 [SMBC: SMBC's Response to the 2016 Kumamoto Earthquake \(Japanese only\)](#)

Support for rebuilding of lives through repayment program (SMBCCF)

To support peoples' life and to remove anxiety, SMBC Consumer Finance provides services such as method to revise the repayment period or to reduce interest according to the damage level, and supporting loans that enable debt without interest for a certain period.

Support Fund for Great East Japan Earthquake (SMFG Group)

Since May 2011, SMFG Group companies have been regularly conducting volunteer activities with participation by executives and employees to support disaster affected areas mainly in Ishinomaki, Watari-cho, and Higashi-Matsushima in Miyagi Prefecture. As of March 2017, over 900 executives and employees, along with their family members, had participated.

Initiatives at SMBC

SMBC established the “Great East Japan Earthquake Support Fund” soon after the disaster occurred for making donations to the disaster affected areas by deducting ¥400 from employee’s monthly salaries. Since November 2013, SMBC has been a sponsor every year for Tour de Tohoku, an event set up to support the reconstruction and recovery of Tohoku by having people cycle around the disaster-hit areas so they can see the current situation for themselves. SMBC also holds regular social meetings to interact with the people evacuated to Tokyo from disaster affected areas, led by members of SMBC’s volunteer society YUI.

 [SMBC: YUI volunteer society \(Japanese only\)](#)

Initiatives at SMBC Nikko

Every year since 2011 SMBC Nikko Securities has sent new professional-class (Class II) employees along with executive and employee leaders to disaster affected areas to conduct reconstruction support activities. In fiscal 2013, 191 participants provided agricultural assistance and conducted a beach cleanup in Miyagi Prefecture.

In addition, since establishment of the Nikko Yukari Club in April 2011, an internal information-sharing site, executives and employees have been encouraged through the site to donate to relief funds and provide support supplies and other items. The company shares reconstruction-related initiatives and the volunteer activities of employees who have utilized its volunteering leave program* and continues to promote reconstruction support activities.

*A special paid leave program (up to three days) to support employees participating in disaster relief and reconstruction support activities.

Initiatives at SMBC Friend Securities

SMBC Friend Securities has been independently conducting the “recovery support volunteer program” since July 2014. Program activities are conducted mainly in the city of Ishinomaki, Miyagi Prefecture. Activities include assisting with the fishing industry, which has suffered a shortage of workers since the earthquake, and interacting with residents living in temporary housing.

Initiatives at Ceydna

Cedyna holds in-house sales events at its Tokyo headquarters and its Kikukawa office to support producers and business operators of Fukushima prefecture, which was affected by the Great East Japan Earthquake. At the events, employees support the recovery of the area by purchasing locally made confectionery, sake, and other items.



Initiatives at SMBC Consumer Finance

At the time of the earthquake, SMBC Consumer Finance provided repayment support and relief financing, donated daily necessities and other provisions, and formed a support team of volunteer employees working at Customer Service Plazas nationwide that traveled to Morioka and Sendai to provide direct assistance. The company has also provided continuing support since the earthquake, including for the Tohoku Rokkon Festival, which has been held for the past six years since 2011 as a symbol of the reconstruction to give hope and vitality to the affected Tohoku region. The company has also conducted activities for disaster-affected areas with an environmental emphasis. These have included making chopsticks and toy blocks from forest thinning material and donating them to the children of Fukushima Prefecture.

In 2016, the fifth year since the Great East Japan Earthquake, the company held an internal charity event, the “Miyagi Prefecture Local Products Fair,” to support the reconstruction. Sales proceeds were matched by the company and the total was donated to Miyagi Prefecture to support reconstruction efforts.



Initiatives at JRI

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.

 **Ukifuneno-sato (specified non-profit corporation) (Japanese only)**

 **Imokoji discussion group (Japanese only)**

Kumamoto Earthquake Disaster Relief and Support

In response to the Kumamoto earthquakes that occurred in April 2016, SMFG has drawn together volunteers from its group companies to conduct volunteer support activities in the affected areas together with NPOs.

Free Ex-Lease Vehicles for the Disaster Affected Area (Cedyna)

In support of people impacted by the 2016 Kumamoto Earthquake, Cedyna 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.



Community-Based Activities Led by Officers and Employees

Local Contribution Activities with Officer and Employee Participation (SMFG Group)

The officers and employees of SMFG participate in a wide range of local contribution activities throughout Japan and particularly in the Tokyo and Osaka areas.

Along with activities as a member of the community like participating in local cleanups and supporting local festivals, we also make use of our core business and periodically hold bank tours to help further raise financial literacy among local community members.

In addition to these activities, SMFG is conducting executive and employee participation-style volunteer programs to support the activities of NPOs and other organizations engaged in solving social issues.

SMFG Pro Bono Project (SMFG Group)

The SMFG Pro Bono* Project is an initiative to provide support for NPOs that are working to address social issues. The SMFG Pro Bono Project began at SMBC in fiscal 2011 and since fiscal 2014 the scope of participation has been extended to employees of SMFG Group companies. Through the program, SMFG Group provides advice and proposals to organizations seeking to acquire and maintain NPO status, which gives tax benefits to donors. The advice covers establishing and enhancing work flows needed for donation and expense management and improving administration infrastructure, such as the organization of donor information. We also conduct marketing research and analysis, which provides foundational data for solutions to social issues and for medium- and long-term growth strategies. In fiscal 2016, 12 volunteer employees from SMFG companies divided into two teams to create an administrative tool for donation management at the NPO receiving support and propose a marketing plan that included market research on individual donations and online communications.

For reporting on fiscal 2016 activities, please refer to the following.

 **FY2016 CSR Activity Report (Japanese only)**

For details on the fiscal 2016 support project, please refer to the following website.

 **Mitsui Sumitomo Financial Group SMFG Pro Bono Project (Japanese only)**

(You will be transferred to the website of the NPO Service Grant.)



Final pro bono report meeting

*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.

Blood Drives Held (SMFL, SMBC Nikko, SMBCCF, Cedyna)

SMFL, SMBC Nikko Securities^{*1}, SMBC Consumer Finance^{*2} and Cedyna^{*3} participate in blood drives that are timed to when donations tend to decrease in order to help stabilize the supply of available blood. The companies will conduct measures to maintain or increase participants and continue activities that contribute to society through blood donations.

^{*1} Tokyo (Shin-Marunouchi Building, Tokyo Dia Building No. 5, Yamatane Building), Osaka, Nagoya, Yokohama, Hiroshima, Fukuoka, Okinawa (in Fiscal 2016).

^{*2} Headquarters

^{*3} Tokyo Head office, Nagoya office, Kanayama office, Fushimi office, Okazaki branch, Kobe office



Support for the Running Event (SMBC Nikko)

Support for the FIT Charity Run

SMBC Nikko Securities co-sponsors the FIT Charity Run*, a running event planned and organized by the financial community. Companies involved in providing financial services or related businesses come together on a voluntary basis to contribute to the local community through the event.

Officers and employees of SMBC Nikko Securities participate in the event both as runners and as volunteer staff.

*The FIT Charity Run seeks to contribute to society by supporting organizations that are conducting locally rooted and socially meaningful activities but are unable to raise adequate operating funds due to a lack of recognition or other such issues. Support is provided in a variety of forms, including donating event proceeds and promoting participation in the organizations at the event venue.

 FIT Charity Run

Participation in Osaka Marathon

The Osaka Marathon provides the many people involved in the event, from the runners to spectators and volunteers, the opportunity to participate in charity activities to further promote a culture of charitable giving, and SMBC Nikko Securities has participated in the event's administration since it was first held in 2011.

Support for Activities through Participation in Charity Run (SMBC Europe)

The annual Crisis Square Mile Run was held in June 2016. The event is organized by charity organizations that conduct support activities to end homelessness and all the proceeds from the run are directed to these efforts. The SMBC Europe London Branch has participated in the event since 2008, and this year, the branch's ninth, 80 employees participated.



Participation in Cosmos Public-Benefit Hike (SMBC (China) Suzhou Branch)

On October 29, 2016, employees of the Suzhou Branch participated in the Qionglong Mountain Walking Cosmos public-benefit hike and donated activities fees for the growth and development of children in western China. In addition, the Tibetan crafts bazaar set up by a volunteer group was also popular, and participants made purchases to provide assistance for Tibetan children. The event provided a good opportunity for employees mainly engaged in desk work to exercise together as a team and so also served to strengthen teamwork.



Local Environment Beautification Initiative (Cedyna)

Cedyna conducts cleanup activities every month around its Tokyo head office and Kikukawa office as a locally rooted initiative to beautify the environment. The Tokyo head office has been conducting the cleanup since 2007, and it has been held over 100 times as of March 31, 2017. The company will continue to conduct the initiative to help further beautify the local environment.



Volunteer Activities During “For Smiling Faces - CSR Promotion Month” (SMBCCF)

SMBC Consumer Finance holds “For Smiling Faces - CSR Promotion Month” every year in July and August to further enhance local contribution activities. During the month-long period, motivated employees across the country take the lead in conducting volunteer activities. A total of 1,249 employees have participated in activities as of March 31, 2017. These include making wash cloths for use in domestic flooding incidents, an activity sponsored by ADRA Japan, a picture book drive for children in Asia sponsored by the Shanti Volunteer Association, and blood drives held at the Head Office. Some of the activities have developed into programs that are held year-round, not just during CSR Promotion Month. The company also actively participates in volunteer activities held by SMFG Group. In fiscal 2016, a total of 172 employees participated in the activities of NPO and NGO organizations involved in addressing a variety of social problems, including poverty, disaster relief and support for financial and economic education.



Activities in Support of Independence for People with Disabilities (Cedyna)

As a local contribution activity, Cedyna holds a Disabled Persons Independence Support Sale at its offices, selling baked goods that have been made by people with disabilities. The event is intended to provide work opportunities for people with disabilities and help them achieve independence.

In fiscal 2016, the event was held at the company's Tokyo head office and Kanayama office in Nagoya. Cedyna will continue holding the event on a regular basis to support the independence of people with disabilities.



Participation in the TABLE FOR TWO Program (SMBC, SMFL, SMBC Nikko, SMCC, SMBCCF)

“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. When employees purchase one of the healthy meal options at the staff cafeteria, a donation of ¥20, worth one school lunch in a developing country, is made via the NPO “TABLE FOR TWO International.”

SMBC started this activity in June 2009 at its head offices in Tokyo, Osaka, and Kobe, introducing the program to all offices nationwide in February 2013. The total amount donated through March 2017 is equivalent to 64 thousand school lunches. The SMBC New York Branch also began participating in TFT in 2013. The branch participates through a TFT partner lunch vendor and actively promotes the program among employees by regularly introducing lunches for which a portion of the purchase price is donated to TFT. In addition, SMCC has instituted the program at its head office and five other sites and SMBC Consumer Finance has applied it to all menu items sold at its head office employee cafeteria since July 2015, so over 4,500 employees are now participating. 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 SMFG group companies, including SMBC, SMFL and SMBC Nikko Securities.



Co-sponsorship and Operational Support for Shiki Theatre’s “Kokoro no Gekijo” (SMBC Nikko, KUBC)

SMBC Nikko and KUBC support and co-sponsor the “Kokoro no Gekijo” program organized by Butaigeijutsu Center and Shiki Theatre.

Kokoro no Gekijo brings children from all over Japan to the theater free of charge and provides them the thrill of live theatrical performance. The project is intended to convey directly from the stage to children’s hearts what is most important about living, values such as respect for life, showing compassion for others, and experiencing the joy of trusting one another.

SMBC Nikko Securities employees volunteer to help support operations at nationwide performances of Kokoro no Gekijo, acting as ushers inside and outside the venue and setting up and taking down sets, among other activities.

Visit to Children’s Welfare Facility (SMBC (China) Shenyang Branch)

In June 2016, volunteer employees from the Shenyang Branch visited one of the city’s children’s welfare facilities as a part of the branch’s social contribution activities. Based on an idea from the branch, the activity was conducted jointly with a local specialist performer and balloon artist. Under the direction of the specialist, the employee volunteers made balloon animals and toys and passed them out to the children and also held a show using the balloons on a stage set up at the facility. They then spent a fun time with the children dancing together on the stage and sharing the candy and snacks they had brought. The time was greatly appreciated by the facility staff, who asked the branch to continue the activity in the future as well, so it was a very meaningful day for all involved.



Participation in Event for Autistic Children (SMBC (China) Guangzhou Branch)

On December 17, 2016, six members of the Guangzhou Branch's (BP, OP and LCD) participated in an event held in the city's Liwan District for autistic children and sponsored by the Guangzhou Office of the China Banking Regulatory Commission (CBRC). The event was attended by Deputy Director XX and other members of the CBRC Guangzhou Office, and foreign-affiliated banks actively made donations and offered prayers of good fortune to the children. The children performed dances and gymnastics with teachers and family members and played various games based on instructions received from the volunteers. Guangzhou Branch employees also enjoyed games together with the children, gave them gifts and engaged in various other activities, making it a very heartwarming day.



Making it Count in the Sydney Japanese School (SMBC Sydney Branch)

The Japanese School in Sydney were grateful to SMBC for the branch's donation of desks, chairs and cabinets in November. The furniture were items in good condition that had been made redundant after the office reorganization and expansion.

On November 7, four principals from the Japanese School attended a presentation held by SMBC on improving environmental education. More than 30 people, including local staff, thoroughly enjoyed themselves over fruitful discussions on interactive ways to educate students on the environment. The Sydney branch will continue to seek ways to give back to the local community going forward.



Support through Work Experience Program (SMBC Europe)

SMBC Europe provides a work experience program for students of various backgrounds, from high school students to college and business school students. It also partners with volunteer groups to provide young people in less fortunate situations the opportunity to acquire business skills.



Key Issues to Be Addressed on a Solid Management Base

Management Approach

Recognition of Social Issues

With the formulation of the Japanese Stewardship Code and Corporate Governance Code, we need to pursue even higher management transparency and efficiency and to promote activities with a focus on dialog with stakeholders. Due to its highly public nature, the financial services sector is required to implement thorough risk management to underpin its responsibility for business continuity and to ensure highly transparent and fair provision of products and services for customers.

SMFG Group's Approach

The Group is determined to promote initiatives to create value for society under three key issues: the environment, the next generation, and the community. The company is promoting "key issues to be addressed on a solid management base" as a foundation for all corporate activities.

To promote this effectively, we have identified the following 10 issues to be addressed.

- Interaction with stakeholders
- Customer satisfaction
- Human resources development that embodies our five values
- Creating a pleasant workplace for all employees (work-life balance)
- Creating a corporate culture which derives strength from diversity (promoting diversity)
- Corporate governance
- Risk management
- Rigorous information management
- Fair business practices and competition
- Response to anti-social forces

SMFG Group's Management

Each responsible business unit has set up a PDCA cycles based on various policies and structures.

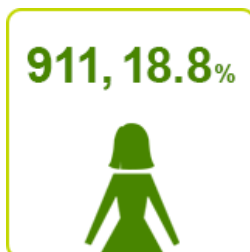
Main Indicators

Number of directors and
outside directors
(As of June 30, 2016)



(SMFG Group)

Number and ratio of
female managers



(SMBC)

Number of male
employees
taking childcare leave



(SMBC)

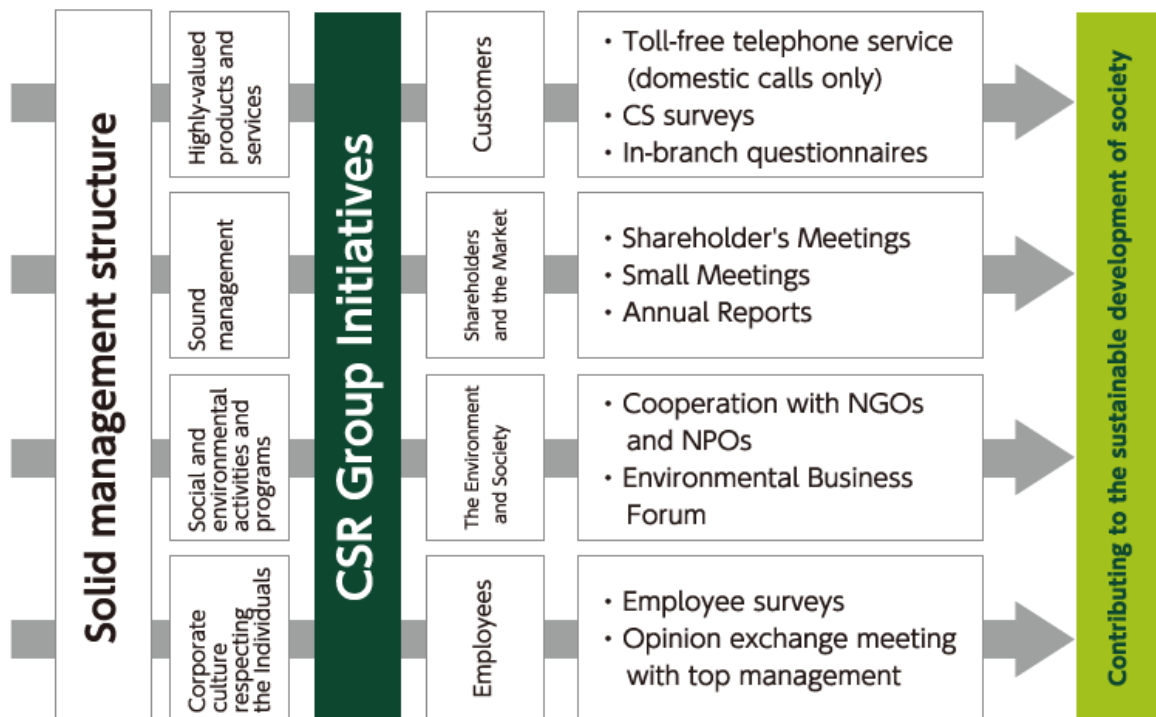
Interaction with Stakeholders

The SMFG Group's Contribution to the Sustainable Development of Society Through Building Relationships with Stakeholders

Drawing on the strengths of a solid management structure, SMFG strives to fulfill its corporate social responsibilities with the aim of actively contributing to the sustainable development of society. To this end, SMFG works diligently to provide greater value to its four major groups of stakeholders.

- 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



Detailed Information on Communication with Stakeholders

- **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**

➤ [Creating a Corporate Culture That Derives Strength from Diversity and Inclusion \(Promoting Diversity and Inclusion\)](#)

➤ [Creating a Pleasant Work Environment for All Employees \(Work-Life Balance\)](#)

Dialogue with Stakeholders

The SMFG Group is engaging CSR initiatives by the Group as a financial institution by promoting engagement with all stakeholders. In pushing forward various initiatives, we are engaging in dialogue with stakeholders focusing priority issues.

*Participants' affiliations, titles and names of our products are as of the time of the event.

FY2016 Dialog: Verification of Action Plan for Tackling Priority Issues (Materiality) (October 19, 2016)



In October 2016, SMBC organized a dialog session with experts to verify the suitability of our action plan for tackling priority issues (materiality) and reflect the conclusions in future action. Based on the GRI Guidelines (G4), in March 2014, SMFG determined three priority issues (Environment, Next Generation, and Community), and articulated an action plan for addressing each of them.

Around three years have passed since the determination of the priority issues, and during that time the international situation has changed considerably. Developments include the establishment of Sustainable Development Goals (SDGs), which form the core of the 2030 Agenda for Sustainable Development adopted by the U.N. in September 2015, and the adoption of the Paris Agreement at the 21st U.N. Climate Change Conference (COP21). In light of these developments, we therefore decided to seek opinions on how the role SMFG should play has changed and how we should respond to such societal demands.

Click here for more information on the process through which SMFG determined the priority issues (materiality):

[➤ Priority issues for SMFG](#)

Experts who took part in the dialog



Takejiro Sueyoshi
Special Advisor
United Nations Environment
Programme Finance
Initiative (UNEP FI)



Makiko Akabane
Japan Representative
CSR Asia Tokyo Office

SMFG participating companies

Sumitomo Mitsui Financial Group	Cedyna
Sumitomo Mitsui Banking Corporation	SMBC Consumer Finance
Sumitomo Mitsui Finance and Leasing	The Japan Research Institute
SMBC Nikko	The Minato Bank
SMBC Friend Securities	Kansai Urban Banking Corporation
Mitsui Sumitomo Card	



The role SMFG should play in achieving the SDGs and implementing the Paris Agreement

SMFG declared a policy of being “Asia-centric” in the medium-term plan we have been implementing since FY2014. SMFG recognizes that if we are to develop our business globally, particularly in the fast-growing Asia region, and demonstrate leadership, we will need to be conscious of global social issues, including local ones. Regarding the SDGs and the Paris Agreement, which have been subject to a lot of attention recently, we asked the experts for their opinions on what sort of role SMFG ought to play.

Main opinions

Mr. Sueyoshi:

- You do not have to work to achieve all 17 of the Sustainable Development Goals (SDGs) recently adopted by the U.N. Instead, it's important to choose those SDGs that are most important from the perspective of your business, the one that will cause you problems if you ignore it. Because SMFG companies operate in different areas, I think a realistic approach would be for each of them to select their own SDGs.
- It is important to consider whether there's a gap between the perspective of Japanese people and the perspective of people overseas. Global initiatives like the SDGs are opportunities to recognize global problems, to become aware of them. And if you're conducting business overseas, it's particularly vital to explore these sorts of differences in perspectives before taking action.
- With the adoption of the “zero CO₂ emissions policy in the Paris Agreement, the direction the world is moving in to tackle global warming has changed, and it's important to recognize that a completely different set of values will be demanded by society, in business, and by the economy.
- “Financing Change,” namely, supporting change through finance, is essential, but to achieve that, it's also necessary to “Change Financing.” In other words, financial institutions need to change, and SMFG should regard itself as also requiring a transformation.



17 Sustainable Development Goals

Ms. Akabane:

- CSR initiatives are expanding also here in Asia, but a lot of companies are yet to implement them through their core operations. Companies outside Japan in other parts of Asia have a strong desire to take a leadership role in the world and in their respective sectors, so I hope that SMFG will also take action through its core operations as an Asian leader.
- The SDGs should be discussed in the context of economic activities, which constitutes the essence of finance (SDG 8: Decent work and economic growth). It would also be advisable to take into account both social and environmental factors in the screening process of investments and loans and to incorporate measures to improve financial inclusion and literacy so as to solve economic inequality. There are 17 SDGs, so I encourage you to choose ones that best reflect your future vision and the regions where you develop your operations. In cities experiencing construction boom, I think you are in a position to promote “green buildings” (SDG 11: Sustainable cities and communities). I think you can also demonstrate leadership in other areas such as protecting biodiversity (SDG 14: Life below water, SDG 15: Life on land).
- Human rights is One of the key social issues on the table at the moment. If you fail to take due action to protect human rights, the business risks are high. If you want to become a global leader, you need to be more sensitive to human rights issues.

Future issues for Japan

Japan is facing serious issues even by international standards. These include the low birthrate and aging population, gender inequality, and relative poverty. Although progress is being seen in some areas, such as the promotion of diversity, the situation in other areas is becoming increasingly severe. We therefore asked the experts for their opinions on how we should tackle the issues facing Japan.

Main opinions

Ms. Akabane:

- I hope that support will be provided for working mothers to reduce the time they have to spend on housework, which is most commonly shouldered by women. Companies implement initiatives to reform the ways people work which include improving employee productivity and reducing overtime. If these initiatives could also work towards shortening housework time spent by women, I think this can lead to achieve a work-life balance of society as a whole.
- With regard to diversity and inclusion, I'd expect Japanese companies to pay closer attention to their overseas sites. It has been pointed out that at offices and branches outside Japan in Asia, salaries and benefits differentiate on the basis whether employees are Japanese or not, and that there is deep-rooted discrimination and dividedness. This can also make locally-hired employees who are highly competent quit their jobs, so I think such practices should be changed in order to enhance the competitiveness of companies.

Mr. Sueyoshi:

- From the perspective of human resource utilization, I think the "multi-career path" approach is going to become increasingly important in the future. Although it's important to develop one's career in a single location, employees need to gain experience of a single job over several years before taking on a different job. Such a change is also required. So companies need to think about their approach to employment, and they should consider such ways of working.
- In the area of the environment, I think biodiversity is going to become extremely important. The preservation of marine resources, for example, is an issue that impacts not only on business but also on our daily lives, so we shouldn't just focus on reducing CO₂ emissions. We need to adopt a perspective of asking ourselves how we can protect the earth's environment globally and holistically.

Verification of the action plan for tackling priority issues

We also examined the action plan for tackling priority issues based on the discussion until now and the policies, initiatives, etc. of each group company.

Main opinions

Mr. Sueyoshi:

- "Materiality" is essentially the foundation for all business, and has a serious impact, affecting share prices, for example. To conduct business correctly, ESGs have become material. That is the current trend.
- SMFG is at the stage where it should consider, from that sort of perspective, what the essential elements for its future development are and how they can be incorporated into its main business. This is a difficult task, but if you get to grips with it quickly, you'll be able to differentiate yourself significantly.
- One of the roles of finance is to serve as an intermediary for the flow of money within society. You have declared a vision for "where you want to be ten years from now" for each of the three themes of "Environment," "Next Generation," and "Community," but the duty of financial institutions is to allocate society's money in such a way as to realize their vision for society ten years from now. I want you to accept this responsibility wholeheartedly and decide what you should do.
- As adoption of the multi-career path approach spreads, it will be important to make yourself more attractive as a workplace. This will also serve to stem the outflow of human resources. I think the way a company influences society through its main business and social contribution efforts will correlate with its attractiveness and value as a workplace.
- I think that approaching social contribution from the perspective of creating value for employees working at SMFG will have a more positive impact internally and externally.
- Finance is needed everywhere. Finance is essential to implement measures to help the most vulnerable people in society, to transform the structure of industry, which will require huge sums of money, and to create of new businesses, and so on. I strongly feel that SMBC is going to pursue its business in the most efficient and effective way possible, and I really hope that it will become the leading financial group in Japan and the rest of Asia.



SMFG's priority issues (materiality)

Ms. Akabane:

- Let me talk about each of the priority issues in the context of the current situation in Asia. First, for “Environment,” I think you could transmit your investment- and loan- screening knowhow to local financial institutions in emerging countries in accordance with the Equator Principles. As for “Community,” you could advocate for financial inclusion. Underdeveloped fields such as microfinance obviously pose high risks, but I’d say it is worth exploring. But I must say the idea that borrowed money should be used to invest in the future, in education and production equipment, for example, is still quite new to many regions, so it’s necessary to educate them on financial literacy, which you can also address through the “Next Generation” priority area.
- Furthermore, while I think each of SMFG’s initiatives is good, in Asia people are more focused on “value creation,” namely, what sort of value can be created by implementing such initiatives. As you look ahead, I’d advise you to also incorporate this perspective into your initiatives.

In response

Today we’ve been told that SMFG’s role as a global financial institution is to take action based on a reaffirmation of the “duties and essence of financial institutions,” “efforts through one’s main business,” and “a global perspective.” We’ve also heard that to become “Asia-centric,” one of the elements of SMFG’s vision for where we want to be ten years from now, we need to recognize key elements such as “global leadership,” “value creation,” and “attractiveness as a workplace.”

In the environmental field in particular, we reaffirmed the need to think imaginatively about what will happen as a result of the requirement, as set forth in the Paris Agreement, for society, business, and the economy to achieve “zero emissions,” which constitutes a completely new sense of values, as well as the need to seize business opportunities and mitigate risks.

We also learned that during a phase like this, “Financing Change,” namely supporting change through finance, is necessary, but that to end it is also essential to “Change Financing.” We at SMFG intend to take into account the opinions and expectations we have heard today to revamp our action plan for tackling our CSR priority issues and take action as in an integrated fashion as a corporate group.



Seiji Yamagishi
General Manager, Corporate Planning Dept.
Sumitomo Mitsui Financial Group

Back Number

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)

Dialogue with Stakeholders 2012

- Enterprises Addressing Japan’s Declining Birthrate: Expectations and Roles (January 24, 2013)
- Reflecting on our volunteer activities in the areas that were devastated by the March 11 earthquake and tsunami and looking ahead to future activities.

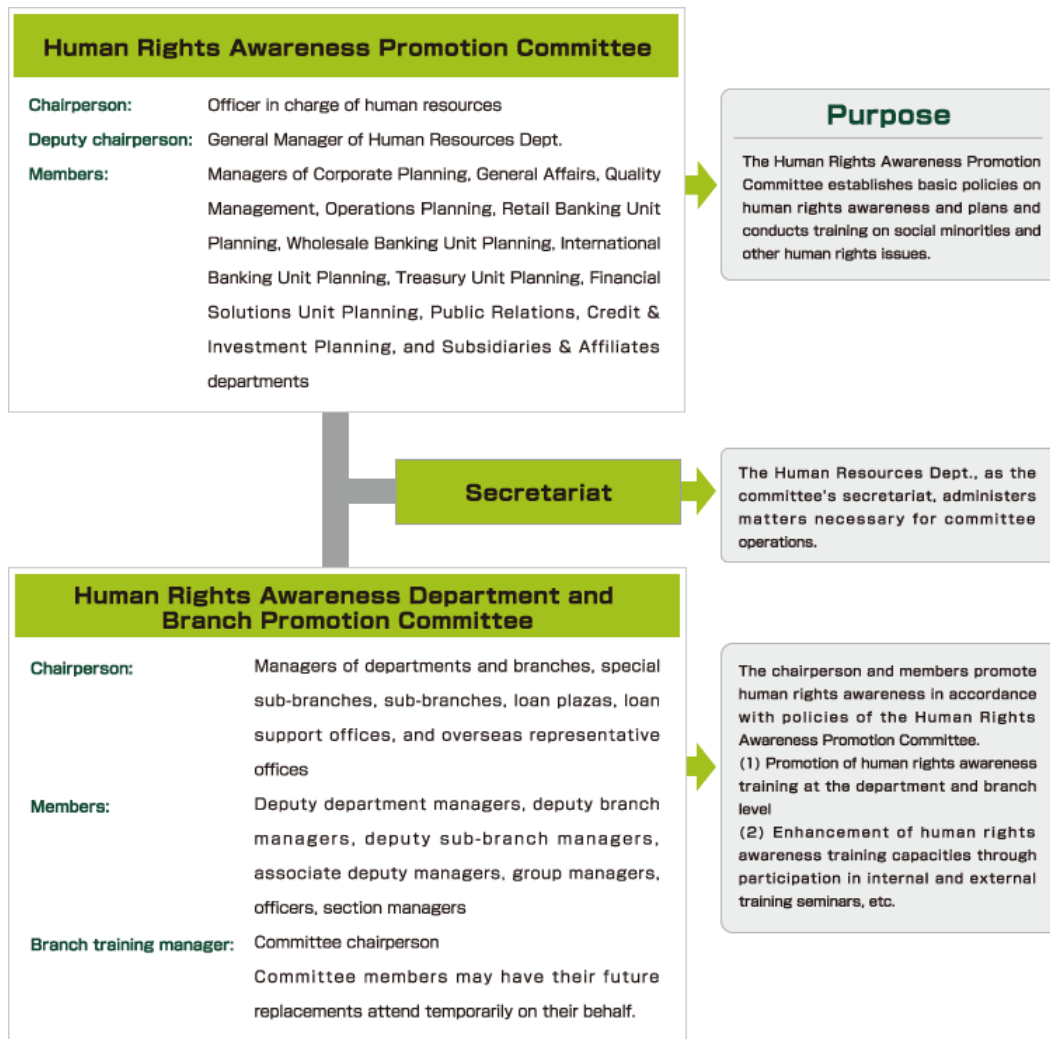
Respect for Human Rights

Approach to Respecting Human Rights (SMFG Group)

The SMFG 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.

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.



Enhancing Awareness for Human Rights (SMFG Group)

The SMFG Group supports the 10 principles of the "United Nations Global Compact," in the areas of human rights, labor standards, environment and anti-corruption measures. The Group implements initiatives to raise awareness for human rights by conducting human rights awareness seminars at Group companies and inviting employees to come up with human rights promotion statements.

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 2014 and fiscal 2016 as follows.

(People)

Training eligibility	FY2014	FY2015	FY2016
New recruit training	1,284	1,977	1,916
New manager/new executive training	1,113	1,270	882
New branch manager training	234	160	137

(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	Workplace Communication and Human Rights: Supervisor-Subordinate Dynamics
	Society Envisioned by Disabled Persons Discrimination Elimination Act
	Creating LGBT-Friendly Workplaces

(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	Hansen's Disease and Human Rights
	Society for All Created with People with Disabilities
	Human Rights Perspective in Everyday Life

(4) Human Rights Slogan Contest for Employees

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)

SMBC has established Counseling Dept. to serve as a dedicated department for consultations by employees. The bank also has a whistleblower system that includes an external hotline to an attorney's office to rapidly detect and rectify legal violations, violations of bank rules, and cases of sexual harassment or abuse of power. In addition, a workplace questionnaire is administered each year for all employees to help improve the workplace environment.

Human Rights Due Diligence (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 is sponsored by the Nippon CSR Consortium, which was established for the purpose of raising the competitiveness of Japanese companies through CSR activities. Through its participation in the workshop, SMBC surveys and researches future approaches to human rights issues.

Recognition and Accreditation

SMFG and its Group companies have earned recognition for their CSR initiatives in the form of various certifications and awards, detailed below.

Recognition from Markets (SMFG Group)

Information Disclosure to Markets

The SMFG Group endeavors to ensure financial soundness by such means as reasonable decision-making and appropriate business operations, and discloses corporate information in a timely and appropriate manner to its markets. We believe that enhancement of our disclosure will result in proper understanding and evaluation by markets, in addition to our contribution to the sound development of markets.

In line with this thought, SMFG has enhanced the quality not only of its statutory disclosure, but also of its additional voluntary disclosure of information on such subjects as management policies and business strategies.






NYSE Listing

Sumitomo Mitsui Financial Group was listed on the New York Stock Exchange (NYSE) in November 2010. The intention of the listing was to enable SMFG to further enhance the convenience of its overseas shareholders and investors and to further broaden its customer base.

While fulfilling its social responsibilities as a NYSE-listed corporation, SMFG will accelerate the expansion of its business as a global player.

Information Disclosure to SRI Research and Other Organizations

SMFG and its Group companies engage in CSR-related information disclosure in accordance with the following research institution CSR and other questionnaires. Evaluation results from each research institution are used as a reference for future CSR activities and disclosure.

-  [CDP](#)
-  [Robeco SAM](#)
-  [Integrex Inc.](#)
-  [The Good Bankers Co.,Ltd](#)
-  [The Japan Research Institute, Limited and other](#)







SRI Indexes SMFG Has Listed


SMFG's proactive corporate social responsibility activities have won plaudits from the markets. Socially responsible investment (SRI) is a standard for investment decisions that are based not only on financial perspectives, but also on important views including environmental considerations and social contributions. We believe that this is an endorsement by the market of the Group's future corporate social responsibility activities.

About SRI

SRI Indexes on which SMFG Is Listed (as of July 31, 2016)

Socially Responsible Investment (SRI) is an approach to investing in companies that measures the level of the performance of core operations and performance on compliance with laws and regulations, corporate ethics, environmental protection, and other matters of social responsibility expected of companies. Respect for human rights, employment initiatives, and customer satisfaction are also considered.

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:</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>
<p>■MSCI Japan ESG Select Leaders Index</p>  <p>2017 Constituent 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</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>

Index	Details
<p>■SNAM Sustainability Index</p> 	<p>An ESG asset management index created by Sompo Japan Nipponkoa Asset Management</p> <p>→ SNAM Sustainability Index (Japanese only)</p>

For other details, please see the link below.


[→ IR Information](#)

CSR Awards and Certifications (SMFG Group)

Cs and Quality

Certification Received

Recipient company	Certification	Details
SMBC Nikko Securities	COPC® Customer Service Provider (CSP) Standard	Obtained certification upon meeting requirements for the COPC® CSP Standard, an international standard for contact center operations.
SMBC Consumer Finance	COPC® Customer Service Provider (CSP) Standard, Release 5.1	Obtained certification for three customer service centers in Japan (Tokyo, Osaka, Fukuoka) upon meeting requirements for the COPC® CSP Standard, Release 5.1, an international standard for contact center operations, as the first company in the Japanese non-bank sector (including credit sales and credit card providers).
Sumitomo Mitsui Banking Corporation	COPCC® 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

Recipient company	Certification	Details
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>

Awards and Certification Received

Year received	Recipient company	Name of award/commendation	Details of award/commendation
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
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
2012	Sumitomo Mitsui Banking Corporation	In the 2012 Japan Investor Satisfaction Study conducted by J.D. Power Asia Pacific , SMBC ranked highest in customer satisfaction in the full-service bank segment.	Levels of customer satisfaction for account offerings, customer interaction, etc.
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

Year received	Recipient company	Name of award/commendation	Details of award/commendation
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 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 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 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	Certified as a Gold Rank Company designated by the Japan Telegraph and Telephone Users Association	Quality of telephone service at contact centers
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
2015	Sumitomo Mitsui Banking Corporation	Obtained recommendation prize under the Best Customer Support of The Year held by the Japan	Initiatives to improve customer satisfaction, contribute to sales activities,

Year received	Recipient company	Name of award/commendation	Details of award/commendation
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
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 products and services as well as customer satisfaction based on feedback from customers given at call centers
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	Initiatives to improve customer satisfaction, contribute to sales activities, and streamline operations using remote channels
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

The Environment

Certification Received

Recipient company	Certification	Details
Sumitomo Mitsui Financial Group	<p>Environmental management system ISO 14001</p>  <p>ISO 14001 JQA-EMO223</p>	<p>Obtained certification upon meeting requirements for ISO 14001, the international standard for environmental management systems.</p> <p>In 1998, Sumitomo Mitsui Banking Corporation became the first Japanese bank to obtain this. In 2001, SMBC Nikko Securities became the first firm in the securities industry to obtain it.</p>

Awards and Certification Received

Year received	Recipient company	Name of award/commendation	Details of award/commendation
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
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	Nikkei Veritas Superiority Award (Nikkei Superior Products and Services Awards)	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
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
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)
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

Year received	Recipient company	Name of award/commendation	Details of award/commendation
2011	Sumitomo Mitsui Finance & Leasing	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
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
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
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

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.
Cedyna Financial Corporation		
Japan Research Institute		
SMBC Consumer Finance		

Awards and Certification Received

Year received	Recipient company	Name of award/commendation	Details of award/commendation
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	Details of award/commendation
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
2012	Sumitomo Mitsui Banking Corporation	<p>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.</p> 	Internal systems and corporate culture
2013	Sumitomo Mitsui Financial Group	<p>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.</p> 	Initiatives for promoting women's roles in the workplace
2013	Kansai Urban Banking Corporation	<p>Received an Osaka Labour Bureau Chief's Incentive Award in the Companies Promoting Equal Employment Category at the Minister's Award for Equal Employment/Work-Life Balance, sponsored by the Ministry of Health, Labour and Welfare.</p>	Initiatives for actively encouraging women in the workplace to realize their potential
2014	THE MINATO BANK	<p>Received a Hyogo Labor Bureau Chief's Incentive Award in the Companies Promoting Equal Employment Category and in the Family Friendly Companies Category at the Minister's Award for Equal Employment/Work-Life Balance, sponsored by the Ministry of Health, Labor and Welfare.</p>	Initiatives for actively encouraging women in the workplace to realize their potential and encouraging work-life balance.





Year received	Recipient company	Name of award/commendation	Details of award/commendation
2015	Kansai Urban Banking Corporation	Received an Osaka Labor Bureau Chief's Incentive Award in the Companies Promoting Equal Employment Category and in the Family Friendly Companies Category at the Minister's Award for Equal Employment/Work-Life Balance, sponsored by the Ministry of Health, Labor and Welfare.	Initiatives for actively encouraging women in the workplace to realize their potential and encouraging work-life balance.
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
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.
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

Year received	Recipient company	Name of award/commendation	Details of award/commendation
2017	Sumitomo Mitsui Banking Corporation	<p>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</p> 	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

Development of the Next Generation

Certification Received

Recipient company	Certification	Details
Sumitomo Mitsui Card Company	<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 Banking Corporation		
SMBC Nikko Securities		
Cedyna Financial Corporation		
SMBC Consumer Finance		
Japan Research Institute		
THE MINATO BANK		
Kansai Urban Banking Corporation		

Recipient company	Certification	Details
Sumitomo Mitsui Banking Corporation	<p>“Platinum Kurumin Certification”</p> <p>platinum kurumin mark</p> 	<p>In addition to the previous “Kurumin Certification,” SMFG 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. (The color differs by company. Light Green: SMBC; Light Blue: JRI)</p>
Japan Research Institute		
Sumitomo Mitsui Banking Corporation	<p>Eruboshi (second rank) certification based on the Act on Promotion of Women's Participation and</p> <p>Advancement in the Workplace</p> 	<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, Cedyna; third rank: JRI)</p>
Cedyna Financial Corporation		
Japan Research Institute	<p>Eruboshi (third rank)</p> 	
Sumitomo Mitsui Financial Group	<p>Recognized as 2017 Certified Health and Productivity Management Organization (large enterprise category)</p> 	<p>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</p>

*Commendation titles and the like are those used at the time they were bestowed.



SMFG SUMITOMO MITSUI
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<http://www.smfg.co.jp/responsibility/>