

| Reporting and Self-Assessment Requirements   | High-level summary of bank's response   | Reference(s)/ Link(s) to bank's full response/ relevant information  |
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| <b>Principle 1: Alignment</b><br><b>We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</b>  |   |  |
| <p>1.1 Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p> | <p>Sumitomo Mitsui Financial Group ("SMFG") is a global financial group based in Japan, operating in a wide range of fields, including banking, leasing, securities, credit cards, and consumer finance.</p> <p>Sumitomo Mitsui Banking Corporation ("SMBC"), the bank, provides financial products and services globally mainly in four business units; Retail Banking Unit, Wholesale Banking Unit, Global Banking Unit and Treasury Unit.</p> <p>Approximately 68% of SMBC's loans are allocated to domestic customers, and the remainder to overseas customers. Further details about our business can be found in the "SMBC GROUP REPORT 2020".</p>  | <p>SMBC GROUP REPORT 2020: (Page 44 - 45, 104, 108 - 112)<br/> <a href="https://www.smfg.co.jp/english/investor/library/annual/fy2019e_f01_pdf/fy2019e_f01_00.pdf">https://www.smfg.co.jp/english/investor/library/annual/fy2019e_f01_pdf/fy2019e_f01_00.pdf</a></p>   |
| <p>1.2 Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p>  | <p>In April 2020, we amended our Mission Statement to include the following statement; "We contribute to a sustainable society by addressing environmental and social issues." This is to clarify our commitment to further support the advancement of society in the areas where we operate.</p> <p>Together, we established the "SMBC Group Statement on Sustainability ( the "Sustainability Statement") as the basic principle upon which our efforts to realize a sustainable society will be based. In the Sustainability Statement, we set out our aim to meet the Sustainable Development Goals (SDGs) and thereby to help address social issues and contribute to the global transformation towards a better society, as well as to demonstrate our support for the Paris Agreement.</p> <p>In 2014, we had already set "Environment", "Community", and "Next Generation" as our three Priority Issues (Materiality). These Priority Issues remain consistent with and integral to the Sustainability Statement.</p> <p>Based on The Sustainability Statement, we will work on our priority issues and actively contribute to making sustainability a reality.</p> | <p>Website: Our Group Mission, Vision, and Values<br/> <a href="https://www.smfg.co.jp/english/company/principles.html">https://www.smfg.co.jp/english/company/principles.html</a></p> <p>Website: Sustainability at SMBC Group<br/> <a href="https://www.smfg.co.jp/english/sustainability/group_sustainability/">https://www.smfg.co.jp/english/sustainability/group_sustainability/</a></p> <p>Website: Priority Issues (Materiality)<br/> <a href="https://www.smfg.co.jp/english/sustainability/materiality/">https://www.smfg.co.jp/english/sustainability/materiality/</a></p> <p>SMBC GROUP REPORT 2020: Page 1, 78 -79<br/> <a href="https://www.smfg.co.jp/english/investor/library/annual/fy2019e_f01_pdf/fy2019e_f01_00.pdf">https://www.smfg.co.jp/english/investor/library/annual/fy2019e_f01_pdf/fy2019e_f01_00.pdf</a></p> |

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| <p><b>Principle 2: Impact and Target Setting</b><br/> <b>We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.</b></p>   |  |   |
| <p>2.1 Impact Analysis:<br/> Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:</p> <p>a) <u>Scope</u>: The bank’s core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.</p> <p>b) <u>Scale of Exposure</u>: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.</p> <p>c) <u>Context &amp; Relevance</u>: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.</p> <p>d) <u>Scale and intensity/salience of impact</u>: In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank’s</p> | <p>We have set “Environment”, “Community”, and “Next Generation” as our Priority Issues in order to contribute to addressing social issues. In the identification phase, we considered their importance to our stakeholders and business as well as the conformity with our Mission and management plan.</p> <p>We recognize the “Environment”, in particular, is an irreplaceable asset shared between generations, and is the foundation of social sustainability. Japan, the main region in which we operate, has declared “carbon neutral by 2050” as a national target and, as a leading Japanese financial institution, we understand the “Environment” is an area in which we have significant impacts.</p> <p>We take the three Materiality, including the “Environment”, as the foundation of our Value Creation Process. We will focus on increasing positive impacts through this process as well as reducing negative impacts.</p> | <p>Website: Process to Identify Key Priority Issues<br/> <a href="https://www.smfg.co.jp/english/sustainability/group_sustainability/management/process/">https://www.smfg.co.jp/english/sustainability/group_sustainability/management/process/</a></p> <p>Website: Priority Issues (Materiality)<br/> <a href="https://www.smfg.co.jp/english/sustainability/materiality/">https://www.smfg.co.jp/english/sustainability/materiality/</a></p> <p>Website: SMBC Group’s Value Creation Process<br/> <a href="https://www.smfg.co.jp/english/sustainability/group_sustainability/value/">https://www.smfg.co.jp/english/sustainability/group_sustainability/value/</a></p> <p>SMBC GROUP REPORT 2020: Page 12 - 13, 78 -79<br/> <a href="https://www.smfg.co.jp/english/investor/library/annual/fy2019e_f01_pdf/fy2019e_f01_00.pdf">https://www.smfg.co.jp/english/investor/library/annual/fy2019e_f01_pdf/fy2019e_f01_00.pdf</a></p> |

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| <p>activities and provision of products and services.<br/>(your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))</p> <p>Show that building on this analysis, the bank has</p> <ul style="list-style-type: none"> <li>• Identified and disclosed its areas of most significant (potential) positive and negative impact</li> <li>• Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts</li> </ul> |  |  |
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Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.

We have set "Environment", "Community", and "Next Generation" as our Priority Issues considering their importance to our stakeholders and business. We recognize the "Environment", in particular, is an area in which we have significant impacts. We will continue deepening our impact analysis.

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| <p>2.2 Target Setting</p> <p>Show that the bank has set and published a minimum of two <b>Specific, Measurable</b> (can be qualitative or quantitative), <b>Achievable, Relevant</b> and <b>Time-bound</b> (SMART) targets, which address at least two of the identified "areas of most significant impact", resulting from the bank's activities and provision of products and services.</p> <p>Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional</p> | <p>We established "SMBC Group GREEN × GLOBE 2030", a ten-year plan that extends to 2030 and is based upon the Sustainability Statement. Each of the long-term goals are related to our Materiality.</p> <p>The two following goals relate to the "Environment":</p> <ul style="list-style-type: none"> <li>- JPY 10 trillion of Green Finance (FY2020 – FY2029)</li> <li>- Reduce CO2 emissions by 30% (FY2018 vs FY2029, SMBC)</li> </ul> <p>These are both Specific, Measurable, Achievable, Relevant, and Time-bound targets.</p> | <p>Website: SMBC Group GREEN×GLOBE 2030<br/><a href="https://www.smfg.co.jp/english/sustainability/group_sustainability/globe2030/">https://www.smfg.co.jp/english/sustainability/group_sustainability/globe2030/</a></p> <p>SMBC GROUP REPORT 2020: Page 78 - 79<br/><a href="https://www.smfg.co.jp/english/investor/library/annual/fy2019e_f01_pdf/fy2019e_f01_00.pdf">https://www.smfg.co.jp/english/investor/library/annual/fy2019e_f01_pdf/fy2019e_f01_00.pdf</a></p> |
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| <p>frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</p> <p>Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</p> |  |  |
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Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting.

The long-term goals are based on and related to The Sustainable Statement, which is aligned to the society's goals, and our Materiality. We have set two SMART targets regarding the "Environment".

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| <p>2.3 Plans for Target Implementation and Monitoring</p> <p>Show that your bank has defined actions and milestones to meet the set targets.</p> <p>Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</p> | <ul style="list-style-type: none"> <li>- JPY 10 trillion of Green Finance (FY2020 – FY2029)<br/>We consider that our environmental business is a means to preserve and improve the global environment through our core business operations as a financial institution. We provide various types of services, such as project financing to renewable energies and underwriting issues of green bonds.</li> <li>- Reduce CO2 emissions by 30% (FY2018 vs FY2029, SMBC)<br/>Our group companies have their own ways of approach to reduce environmental impacts.</li> </ul> <p>Each of the goals have long-term KPIs, and the execution/monitoring of the targets are controlled by the Corporate Sustainability Department of SMFG ("CSD").</p> | <p>Website: Promotion of Environmental Businesses<br/><a href="https://www.smfg.co.jp/english/sustainability/materiality/environment/business/">https://www.smfg.co.jp/english/sustainability/materiality/environment/business/</a></p> <p>Website: Reduction of Environmental Impacts<br/><a href="https://www.smfg.co.jp/english/sustainability/materiality/environment/reduction/">https://www.smfg.co.jp/english/sustainability/materiality/environment/reduction/</a></p> <p>Website: Sustainability Management System<br/><a href="https://www.smfg.co.jp/english/sustainability/group_sustainability/management/">https://www.smfg.co.jp/english/sustainability/group_sustainability/management/</a></p> |
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Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.

Here we are showing our actions to meet the set targets. The execution/monitoring of the targets are controlled by the Corporate Sustainability Department of SMFG.

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| <p>2.4 Progress on Implementing Targets</p> <p><u>For each target separately:</u></p> <p>Show that your bank has implemented the actions it had previously defined to meet the set target.</p> <p><b>Or</b> explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.</p> <p>Report on your bank’s progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)</p> | <p>Since the targets in “SMBC Group GREEN×GLOBE 2030” were set in 2020, we will show their progress in our upcoming IR events and publications.</p>  |   |
| <p>Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets</p>  |  |   |
| <p>We will continue disclosing our progress on implementing targets transparently.</p>  |  |   |
| <p><b>Principle 3: Clients and Customers</b><br/> <b>We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</b></p>  |  |   |
| <p>3.1 Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.</p>  | <p>The Sustainability Statement is a policy to promote responsible relationships with our customers and states “we will engage and act together with customers and other stakeholders to contribute to the global transformation towards a better society”. Furthermore, our mid-to-long term vision is to become “a trusted global solution provider committed to the growth of our customers and advancement of society.”</p> <p>The Sustainable Business Promotion Department (“SBPD”) was newly established in 2020 to provide group-wide solutions to support our customers’ sustainability strategies. This department acts as a hub to combine our global</p> | <p>Website: Our Group Mission, Vision, and Values<br/> <a href="https://www.smfg.co.jp/english/company/principles.html">https://www.smfg.co.jp/english/company/principles.html</a></p> <p>SMBC GROUP REPORT 2020: Page 1<br/> <a href="https://www.smfg.co.jp/english/investor/library/annual/fy2019e_f01_pdf/fy2019e_f01_00.pdf">https://www.smfg.co.jp/english/investor/library/annual/fy2019e_f01_pdf/fy2019e_f01_00.pdf</a></p> |

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|  | <p>group-wide knowledge and network to address our customer’s managerial issues and suggest sustainable products. Additionally, the department periodically holds study sessions for our employees to demonstrate how to engage with customers on sustainability and discuss what solutions we may be able to offer.</p>   | <p>Website: Presentation material regarding “Approach to ESG”, Page 25<br/> <a href="https://www.smfg.co.jp/english/investor/financial/small/pdf/20200630_esg_pre01e.pdf">https://www.smfg.co.jp/english/investor/financial/small/pdf/20200630_esg_pre01e.pdf</a></p>  |
| <p>3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</p>   | <p>Under the leadership of the SBPD, we provide various solutions to our customers which contribute to creating a sustainable society. In particular, we consider that our environmental business is a means to preserve and improve the global environment through our core business operations as a financial institution.</p> <p>Moreover, “GREEN × GLOBE Partners” is a community we established in 2020 to work with our clients to encourage sustainable practices and enable sustainable economic activities. This is a community to encourage a wider range of people and companies to actively work together to resolve environmental and social issues. We have already begun to invite our customers to participate as our partners through our sales offices in Japan.</p> | <p>Website: Promotion of Environmental Businesses<br/> <a href="https://www.smfg.co.jp/english/sustainability/materiality/environment/business/">https://www.smfg.co.jp/english/sustainability/materiality/environment/business/</a></p> <p>SMBC GROUP REPORT 2020: Page 80 - 82<br/> <a href="https://www.smfg.co.jp/english/investor/library/annual/fy2019e_f01_pdf/fy2019e_f01_00.pdf">https://www.smfg.co.jp/english/investor/library/annual/fy2019e_f01_pdf/fy2019e_f01_00.pdf</a></p>          |
| <p><b>Principle 4: Stakeholders</b><br/> <b>We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society’s goals.</b></p>   |  |  |
| <p>4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank’s impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.</p> | <p>We value dialogue and joint actions with stakeholders in the pursuit of sustainability. For example, we had dialogue with external experts in establishing The Sustainability Statement and the identification of our Materiality.</p> <p>Also, we have been actively participating in other related stakeholder engagements. For example, we periodically have discussions with environmental NGOs and the Ministry of the Environment. We have been invited to join the Positive Impact Finance Task Force hosted by the Ministry as an advisor.</p> <p>In ways such as these, we are improving our impact through engagement and collaboration with multiple stakeholders.</p>   | <p>Website: Process to Identify Key Priority Issues<br/> <a href="https://www.smfg.co.jp/english/sustainability/group_sustainability/management/process/">https://www.smfg.co.jp/english/sustainability/group_sustainability/management/process/</a></p> <p>Website: Dialogue with Stakeholders<br/> <a href="https://www.smfg.co.jp/english/sustainability/group_sustainability/stakeholder/dialog/">https://www.smfg.co.jp/english/sustainability/group_sustainability/stakeholder/dialog/</a></p> |
| <p><b>Principle 5: Governance &amp; Culture</b><br/> <b>We will implement our commitment to these Principles through effective governance and a culture of responsible banking</b></p>   |  |  |

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| <p>5.1 Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.</p>  | <p>The effective implementation of the Principles is overseen by the CSD. The department undertakes the planning and execution of activities to promote overall ESG for the entire group under the supervision of the Group CSO, who is a board member. The promotion of important plans is discussed and decided in the “Corporate Sustainability Committee” headed by the Group CEO as chairperson, with decisions are being reported to the Group Management Committee and the Board of Directors.</p>  | <p>Website: Sustainability Management System<br/> <a href="https://www.smfg.co.jp/english/sustainability/group_sustainability/management/">https://www.smfg.co.jp/english/sustainability/group_sustainability/management/</a></p>   |
| <p>5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>                          | <p>In order to foster a culture of responsible banking among our employees, we have implemented a group-wide training structure called the “Sustainability University”.</p> <p>All executives and employees are required to undertake this training which is currently held mainly by e-learning. Its purpose is to make all employees sufficiently skilled in engaging with customers about addressing social issues.</p> <p>Additionally, an internal social networking service (SNS) in SMBC was launched in 2020 which includes all executives and employees. There is a voluntary community in the SNS where employees share ideas and articles concerning sustainability.</p> <p>Furthermore, we include ESG initiatives as an indicator for assessing executives’ compensation.</p> | <p>Website: Presentation material regarding “Approach to ESG”, Page 13<br/> <a href="https://www.smfg.co.jp/english/investor/financial/small/pdf/20200630_esg_pre01e.pdf">https://www.smfg.co.jp/english/investor/financial/small/pdf/20200630_esg_pre01e.pdf</a></p> <p>Website: Investors Meeting 1H FY3/2021, Page 50<br/> <a href="https://www.smfg.co.jp/english/investor/financial/latest_statement/fy2020/fy2020_2q_e_pre.pdf">https://www.smfg.co.jp/english/investor/financial/latest_statement/fy2020/fy2020_2q_e_pre.pdf</a></p> |
| <p>5.3 Governance Structure for Implementation of the Principles</p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <p>a) target-setting and actions to achieve targets set<br/> b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.</p> | <p>The implementation of the Principles is supervised by the governance structure explained in 5.1. The actions to achieve the targets set are executed by the CSD.</p>  | <p>Website: Sustainability Management System<br/> <a href="https://www.smfg.co.jp/english/sustainability/group_sustainability/management/">https://www.smfg.co.jp/english/sustainability/group_sustainability/management/</a></p>   |



Please provide your bank's conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.

The implementation of the Principles is executed under our effective sustainability management system.

**Principle 6: Transparency & Accountability**

**We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.**

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| <p>6.1 Progress on Implementing the Principles for Responsible Banking</p> <p>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).</p> <p>Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.</p> <p>Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.</p> | <p>In 2020, we established the Sustainability Statement, set targets in the “SMBC Group GREEN × GLOBE 2030” aligned with our Materiality, and progressed our activities under our effective sustainability management system.</p> <p>We have been considering international/regional good practices to reflect the knowledge gained through our activities too. For example, we support the TCFD Recommendations to understand climate related risks and take appropriate actions, and we were the first bank among G-SIBs to announce our scenario analysis results in 2019. Working on the recommendations, we incorporated climate-related risks as one of our Top Risks, and we are strengthening our scenario analysis and considering countermeasures at the management level. Also, we have clarified our loan policies for business sectors which are likely to have significant impacts on the environment and society, such as that support for newly planned coal-fired power plants, in principle, will not be provided. Our approaches and attitude on climate change are put together in the “SMBC Group TCFD Report” published in 2020.</p> <p>Furthermore, we adopt the Equator Principles to assess and manage social and environmental risks in finance to large-scale development projects. We have also published our “Statement on Human Rights” as our approach to respecting human rights as described in the “United Nations Guiding Principles on Business and Human Rights” and other principles.</p> <p>We will continue enhancing our activities in implementing the Principles. Transparent disclosures and periodical review of our progress will together be made.</p> | <p>Website: Sustainability<br/><a href="https://www.smfg.co.jp/english/sustainability/">https://www.smfg.co.jp/english/sustainability/</a></p> <p>Website: Participation in Initiatives and Reference Guidelines<br/><a href="https://www.smfg.co.jp/english/sustainability/group_sustainability/structure/">https://www.smfg.co.jp/english/sustainability/group_sustainability/structure/</a></p> <p>Website: Response to climate change (Working on TCFD Recommendations)<br/><a href="https://www.smfg.co.jp/english/sustainability/materiality/environment/climate/">https://www.smfg.co.jp/english/sustainability/materiality/environment/climate/</a></p> <p>Website: Management of Environmental Risks<br/><a href="https://www.smfg.co.jp/english/sustainability/materiality/environment/risk/">https://www.smfg.co.jp/english/sustainability/materiality/environment/risk/</a></p> <p>SMBC Group TCFD Report<br/><a href="https://www.smfg.co.jp/english/sustainability/materiality/environment/climate/pdf/tcfd_report_e.pdf">https://www.smfg.co.jp/english/sustainability/materiality/environment/climate/pdf/tcfd_report_e.pdf</a></p> <p>Website: Respect for Human Rights</p> |
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| <p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking</p>  |  |   |
| <p>We established the Sustainability Statement, set targets in the "SMBC Group GREEN×GLOBE 2030" and progressed our activities under our effective sustainability management system. We will continue enhancing our activities and disclose the results transparently.</p> |  |   |