



# CSR REPORT 2016

## 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.

<b>Editorial Policy</b>	<b>2</b>	<b>Key Issues to Be Addressed on a Solid Management Base</b>	<b>135</b>
<b>Commitment from the Top</b>	<b>3</b>	Interaction with Stakeholders	137
<b>CSR at SMFG</b>	<b>5</b>	Dialogue with Stakeholders	139
CSR Management	7	Customer Satisfaction	141
Participation in Initiatives and Reference Guidelines	9	CCF Action Plan	143
Initiatives on the Equator Principles	11	Customer Satisfaction-Related Initiatives of SMFG Group Companies	147
CSR Performance and Goals	17	Human Resources Development That Embodies Our Five Values	149
CSR Activity Performance and Goals of SMFG Companies	20	Creating a Pleasant Workplace for All Employees (Work-Life Balance)	150
<b>Key Priority Issues for SMFG</b>	<b>49</b>	Initiatives at SMFG Group Companies to Create Pleasant Workplaces	152
<b>Environment</b>	<b>51</b>	Main Systems for Achieving a Work-Life Balance at SMFG Group Companies	154
Promoting Environmental Management Integrated with Business	53	SMFG Group Company Employee Data	161
Reducing Environmental Impact	57	Creating a Corporate Culture which Derives Strength from Diversity (Promoting Diversity)	172
Performance Data and Goals of SMFG Group Companies	61	Promotion of Women's Participation and Advancement at SMFG Group Companies	174
Environmental Impact Data of SMFG Group Companies	71	Corporate Governance	176
Reducing Environmental Impact at SMFG Group Companies	81	SMFG Group Companies Initiatives on Corporate Governance	178
Managing Environmental Risks	83	Rigorous Risk Management and Information Management	181
Promoting Environmental Businesses	85	Fair Business Practices and Competition, and Response to Anti-Social Forces	185
Track Record in Project Finance for Renewable Energy Projects Overseas	94	<b>Recognition and Accreditation for SMFG CSR initiatives</b>	<b>187</b>
Promotion of Environmental Business at SMFG Group Companies	98	<b>Third-Party Opinion</b>	<b>197</b>
List of Environmental Businesses at SMFG Group Companies	100	<b>Data and Guideline Comparison Table</b>	<b>198</b>
Environment-Related Social Contribution Activities	107		
<b>Next Generation</b>	<b>109</b>		
Support for Next Generation Asset Inheritance and Business Succession	111		
Contributing to Emerging Countries as a Financial Institution	114		
Enhance Financial Literacy	116		
<b>Community</b>	<b>119</b>		
Support Reconstruction for the Great East Japan Earthquake	121		
Contribute to Achieving and Developing Safe and Secure Communities	122		
Community-Based Activities Led by Officers and Employees	124		
Solve Social Issues by Collaborating with NGOs and NPOs	127		
Social Contribution Activities at SMFG Group Companies	133		

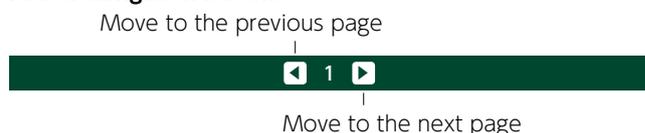
### How to Use this Report

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 (THE MINATO BANK, LTD., Kansai Urban Banking Corporation)

#### Reporting period and other information

##### Reporting Period

The fiscal 2015 period, the 12-months from April 1, 2015 to March 31, 2016

\*The Report contains additional information including certain up-to-date data as well as future prospects where considered October 2016.

##### Month of Issue

September 2016 (Previous issue: October 2015)

#### 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 2014 CO<sub>2</sub> 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

2015 was a year of major change in the global consensus on social issues. New Sustainable Development Goals (SDGs) were adopted by the United Nations in September 2015, followed in December by the Paris Agreement on measures to limit global warming, which was adopted at the United Nations Climate Change Conference (COP21).

The SDGs are a set of goals for 2030 that apply to the entire global community in connection with global-level issues like poverty, education, and climate change, and the Paris Agreement sets forth the target of reducing the average global temperature increase in the second half of this century to less than 2°C. With the need for comprehensive initiatives, private-sector companies, such as ourselves, will also be expected to contribute more than ever before through our core businesses.

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, our banking unit, 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.

For the “Community,” we are conducting initiatives domestically and overseas to help realize a safe, secure, and prosperous society. These efforts are connected to becoming a truly Asia-centric institution, developing the best-in-class earnings base in Japan, realizing true globalization, and continuing to evolve our business model, all of which are listed in our vision for the next decade.

In Japan, we conduct initiatives for the elderly, people with disabilities, and people suffering from dementia as a financial institution that can be relied on by all our customers. In the areas of the Tohoku and Kumamoto regions that have been affected by earthquakes and other disasters, we also conduct support activities in line with reconstruction stages and needs. Further, we are also supporting the Tokyo 2020 Olympic and Paralympic Games, which will be held in four years' time, as a Gold Partner in the bank category.

SMBC works with organizations involved in solving social issues in Japan and abroad, using a fund with volunteer donations from employees. Overseas, SMBC is engaged in addressing issues in the countries where it operates – 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, in fiscal 2015 the “SMFG Corporate Governance Guideline” was created and the number of outside officers was increased. We also announced that we would be changing our governance structure to a “company with nominating committee, etc.,” subject to the approval of the shareholders at the ordinary general meeting to be held in June 2017.

In addition, we are also working to create resilient workplaces that can adapt to changing conditions. Our focus includes career support measures for women, balancing work with nursing care responsibilities and flexible working hours, with a view to enabling employees to fully utilize their abilities and express their individuality.

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.

August 2016  
Koichi Miyata  
President  
Sumitomo Mitsui Financial Group, Inc.

## CSR at SMFG



### ■ Contributing to the Sustainable Development of Society

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 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

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 Group CSR Committee, chaired by the director responsible for the SMFG Corporate Planning Department and administered by the Group 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 Group CSR Department and assigned departments jointly conduct annual reviews of progress made in these initiatives. The results of these reviews are reported to the Group 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.

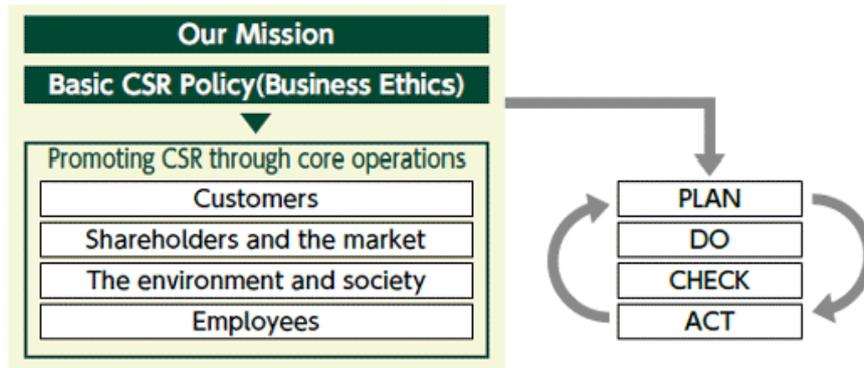
For details regarding information on the Group's CSR goals and performance, please refer to the following link.

▶ [CSR Performance and Goals](#)

### SMFG CSR promotion structure



## CSR activities and the PDCA cycle



### ● Groupwide CSR-related organizations

<b>Group CSR Committee</b>	Conducts consultation, etc. on CSR-related matters affecting the whole Group.
<b>Group CS Committee</b>	Conducts consultation, etc. on progress in improving customer satisfaction on a Groupwide basis.
<b>CSR Liaison Committee</b>	The CSR Liaison Committee exchanges information regarding progress in CSR promotion at individual Group companies, and closely studies particularly progressive measures.

### ■ Improvement in CSR Activities Incorporating Stakeholder Input (SMFG Group)

The Group enhances CSR activities after incorporating input from third party opinions, questionnaires and other sources inside and outside SMFG about its CSR reports.

### ■ 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 2015, a total of 2,542 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

## 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



#### 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 (Carbon Disclosure Project)

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



▶ Initiatives on 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 July 31, 2016, the principles had been signed by 247 financial institutions, including from SMFG SMBC, 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)

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

### ● ISO 26000

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 evaluate their own activities.

### ● 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](#)

## Initiatives on the Equator Principles

### ■ Background of SMBC's Adoption of the Equator Principles (SMBC)

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

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 recognizing 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.

### ■ Active Participation to 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 <sup>\*1</sup> 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 variety of issues such as environmental and social impact assessment process, pollution prevention and abatement, considerations to 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.

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

- Equator Principles Outreach Working Group, which encourages development of the Equator Principles in emerging countries
- External Relationship Working Group, which builds relationship with external parties
- Consistency Working Group, which works to improve consistency in the Equator Principles implementation
- Climate Change Working Group, which works to share good practice in climate risk management practice

Together, with other Equator Principles financial institutions, SMBC strives to improve the content of the Equator Principles and reach out to financial institutions in emerging countries, especially in Asia, with the purpose to promote an understanding of the Equator Principles. Also, SMBC participates in the discussion to consider the long-term strategy of the Equator Principles and its future improvement.

As of the end of May, 2016, 83 financial institutions have adopted the Equator Principles. For detail, please visit the Equator Principles' official website at

[Equator Principles](#)

\*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 securities of the borrower.

## ■ SMBC's Approach to the Equator Principles (SMBC)

### ● Establishment of the 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 (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. As the Equator Principles were revised in 2013 (Equator Principles III), the Procedures were also revised in October 2013 to reflect changes of the Equator Principles by expanding its scope and strengthening the assessment standard.

### ● Risk Assessment Structure and Process

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

#### 1. Environmental Screening

When considering financing toward 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 the related information, ENAD categorizes the project to 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 limited adverse environmental and social risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures
Category C	Projects with minimal or no adverse environmental and social risks and/or impacts

#### 2. Environmental Review

ENAD confirms that the Projects meet the requirements of the EPs by Category and if needed, conducts site visits.

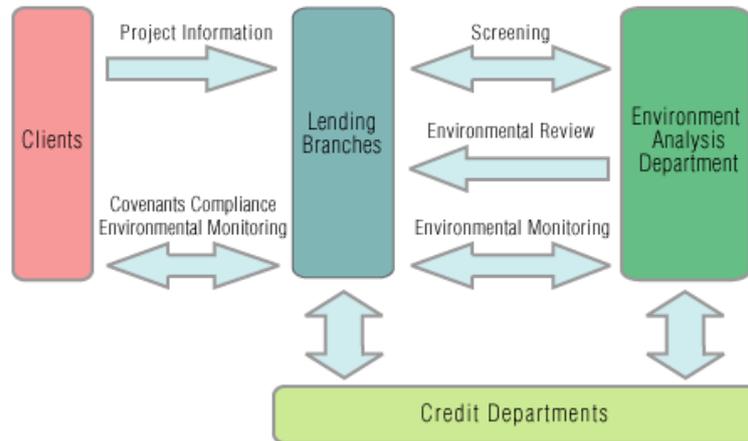
Also, for all category A and B projects located in developing countries, ENAD prepares an Environmental Review Sheet based in our original sector checklists.

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 with respect to the environmental and social considerations are to be included in the financing documents. The lending branch and ENAD monitor the client's compliance with these covenants to ensure ongoing considerations towards environmental and social issues.

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



#### ● Training and Ongoing Improvement

ENAD has been conducting internal training such as group training in our overseas offices, online training and seminar by external consultants to help related officers understand the established environmental and social procedures. Since ENAD was established, over 1,600 officers including senior management, front officers, credit officers, audit officers and CSR officers have attended the training. In addition, to improve our capability on an ongoing basis, ENAD issues a newsletter on a monthly basis to provide relevant and up-to-date information such as sector checklists and articles on environmental and social impacts.

## ■ Transactions Subject to the Equator Principles (SMBC)

Transactions subject to the Equator Principles (EP III) in 2015 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 56 transactions closed in 2015.

	Total Number of projects by Category		
	Category A	Category B	Category C
	2	46	8
Breakdown of Projects by Category			
Sector	Category A	Category B	Category C
Mining	0	0	0
Infrastructure	2	7	6
Oil & Gas	0	15	0
Power	0	23	0
Others	0	1	2
Region	Category A	Category B	Category C
Americas	1	27	2
Europe/Middle East/Africa	0	11	3
Asia & Pacific	1	8	3
Country classification	Category A	Category B	Category C
Designated Country	2	32	7
Non-Designated Country	0	14	1
Independent Review	Category A	Category B	
Implemented	2	43	
Not implemented	0	3	

## 2. Project Related Corporate Loans

The table below shows a breakdown of the 8 transactions closed in 2015.

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

## 3. Finance Advisory Transactions

The table below shows a breakdown of the 18 advisory transactions mandated in 2015.

	Total Number of Projects by Sector
	18
	Breakdown of Projects by Sector
Sector	
Mining	1
Infrastructure	3
Oil & Gas	7
Power	7
Others	0
Region	
Americas	4
Europe/Middle East/Africa	6
Asia & Pacific	8

### ■ 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"> <li>Completed the Procedures for Environmental and Social Risk Assessment</li> <li>Incorporated the revised Equator Principles into the Procedures</li> </ul>
Implementation of environmental and social risk assessment	<ul style="list-style-type: none"> <li>Conducted site visits in the environmental review and monitoring process</li> <li>Reported the results of environmental and social risk assessment to management</li> </ul>
Internal training and ongoing improvement	<ul style="list-style-type: none"> <li>Conducted training for related officers</li> <li>Provided online training to familiarize the Procedures</li> <li>Provided updated and related information through monthly newsletters</li> <li>Participated in international conferences on environmental and social risk assessment</li> </ul>
Encouragement of understanding of the Equator Principles	<ul style="list-style-type: none"> <li>Spoken at CSR or environmental seminars and conferences on the Equator Principles</li> <li>Introduced the Equator Principles and SMBC's experiences to financial institutions all over the world</li> <li>Held an environmental seminar for our corporate clients, inviting experts on environmental risk management</li> </ul>

### ■ Future Prospective and Focuses (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
- 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 in emerging countries 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.

- ▶ [Managing 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 2015 and its goals in fiscal 2016 are presented below.

### Sumitomo Mitsui Financial Group

	Performance in Fiscal 2015	Goals for Fiscal 2016
<b>Our customers</b>	<ul style="list-style-type: none"> <li>▪ Strengthened unified Team SMFG approach to management system for customer opinions</li> <li>- Strengthened response capabilities using case-based research within and outside of the Group</li> <li>→ Introduced “universal” concept, strengthened internal and external communications, etc.</li> <li>- Shared initiative examples and expertise of individual companies</li> <li>→ Developed customer support management system</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strengthen CS promotion and management system through unified Team SMFG approach based on stronger Group management</li> <li>- Continue researching examples at other companies</li> <li>- Promote horizontal development of Group company policies</li> <li>- Invite outside experts to Group CS Improvement Committee</li> <li>- Strengthen management for customer protection, etc. (bank-securities and bank-trust coordination)</li> </ul>
<b>Our shareholders and the markets</b>	<ul style="list-style-type: none"> <li>▪ Promoted corporate governance</li> <li>- Conducted initiatives in partnership with stakeholders, including dialogue with outside experts (April)</li> <li>▪ Actively disclosed non-financial information</li> <li>- Organized disclosure items for conformance with GRI G4 guidelines</li> <li>▪ Prepared to issue integrated report</li> <li>- Coordinated for issue of integrated report in July 2016</li> <li>▪ Enhanced CSR public relations tools</li> <li>- Enhanced public relations tools, including website updating</li> </ul>	<ul style="list-style-type: none"> <li>▪ Promote corporate governance</li> <li>- Continue initiatives in partnership with stakeholders</li> <li>▪ Actively disclose non-financial information</li> <li>- Issue new integrated report in July 2016</li> <li>- Organize media for disclosing CSR information</li> <li>▪ Enhance website for SRI investors and research institutes</li> <li>▪ Continue to issue pamphlet introducing activities to general customers</li> <li>▪ Stop issuing CSR report that combined the above two items</li> <li>▪ Enhance CSR public relations tools</li> <li>- Collect and utilize video footage of CSR activities</li> </ul>

	Performance in Fiscal 2015	Goals for Fiscal 2016
<b>Society</b>	<ul style="list-style-type: none"> <li>- Initiatives to support reconstruction from the Great East Japan Earthquake</li> <li>- Conducted career education for 90 junior high school students in the impacted region as a unified SMFG initiative in collaboration with Iwaki City in Fukushima Prefecture (September)</li> <li>- Conducted volunteer activities as a unified SMFG initiative (six times; approx. 170 people participated)</li> <li>- Worked to solve social problems in partnership with NPOs, etc. <ul style="list-style-type: none"> <li>- Donated from the SMBC volunteer fund to NPOs, etc. involved in social issues (30 organizations)</li> <li>- In conjunction with donations, approximately 2,600 employees of SMFG companies participated as volunteers to support NPO activities</li> </ul> </li> <li>- Local contribution activities by employees <ul style="list-style-type: none"> <li>- Approximately 800 SMFG employees participated as marathon volunteers in regions throughout Japan</li> </ul> </li> <li>- Supported seniors, people with dementia and people with disabilities <ul style="list-style-type: none"> <li>- Increased dementia supporters to approximately 9,100 through instructor training and started new supporter training, etc. (increased by approx. 3,500 from the previous fiscal year)</li> </ul> </li> <li>- Enhanced financial literacy <ul style="list-style-type: none"> <li>- Conducted financial and economics education based on business formats of SMFG companies</li> <li>- Published "JUNIOR SAFE" environmental newsletter for children on the theme of the environment and finance</li> </ul> </li> <li>- Supported children and child-raising <ul style="list-style-type: none"> <li>- Donated to NPOs that support child-raising and families facing illness or poverty and conducted volunteer activities</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- Initiatives to support reconstruction from the Great East Japan Earthquake <ul style="list-style-type: none"> <li>- Revise activities areas in line with local needs and continue volunteer support</li> </ul> </li> <li>- Work to solve social problems in partnership with NPOs, etc. <ul style="list-style-type: none"> <li>- Continue donations to NPOs, etc. involved in social issues and volunteer support on an SMFG-wide basis</li> <li>- Commence programs for Tokyo 2020</li> </ul> </li> <li>- Undertake measures in support of the elderly, people suffering from dementia, and the physically challenged <ul style="list-style-type: none"> <li>- Continue dementia supporter training and start industry coordination</li> <li>- Acquire certifications and continue training at SMFG companies</li> </ul> </li> <li>- Enhance finance literacy <ul style="list-style-type: none"> <li>- Develop activities utilizing know-know and training materials of SMFG companies</li> <li>- Continue publishing "JUNIOR SAFE" and expand utilization</li> </ul> </li> <li>- Support for children and child-raising <ul style="list-style-type: none"> <li>- Continue support through NPOs, etc.</li> <li>- Commence programs for Tokyo 2020</li> </ul> </li> </ul>

	Performance in Fiscal 2015	Goals for Fiscal 2016
<b>The environment</b>	<ul style="list-style-type: none"> <li>• Promoted environmental businesses               <ul style="list-style-type: none"> <li>- Promoted environmental business at each company in accordance with business type</li> <li>- Held hydrogen society seminar (July in Nagoya)</li> <li>- Exhibited at the Eco Products in Japan 2015 environmental exhibition                   <ul style="list-style-type: none"> <li>→Approx. 4,000 visitors to SMFG booth, same level as FY2014</li> </ul> </li> </ul> </li> <li>• Addressed environmental risk               <ul style="list-style-type: none"> <li>- Held seminars on financial stability and climate change (3 times)                   <ul style="list-style-type: none"> <li>→Led by Japan Research Institute with participation by the three mega banks, Financial Services Agency and Bank of Japan</li> </ul> </li> </ul> </li> <li>• Promoted reduction of environmental impact               <ul style="list-style-type: none"> <li>- Completed new ISO 14001 certification at SMBC Consumer Finance and Cedyne; obtained certification and completed renewal at eight main SMFG companies</li> </ul> </li> <li>• Conducted social contribution activities dealing with environmental issues               <ul style="list-style-type: none"> <li>- Held clean-up activities at sites nationwide                   <ul style="list-style-type: none"> <li>→Participation by approx. 3,500 SMFG executives and employees</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Promote environmental businesses               <ul style="list-style-type: none"> <li>- Promote environmental business at each company in accordance with business type</li> <li>- Continue to exhibit, this time at the Eco Products in Japan 2016 environmental exhibition</li> <li>- Exhibit at 10th Eco-Products International Fair (EPIF) (Bangkok)</li> </ul> </li> <li>• Address environmental risk               <ul style="list-style-type: none"> <li>- Hold seminar on financial stability and climate change</li> </ul> </li> <li>• Promote reduction of environmental impact               <ul style="list-style-type: none"> <li>- Prepare for compliance with new ISO 14001 standard</li> <li>- Obtain new third-party verification of environmental data by JQA, an outside certification organization; rebuild data collection system</li> </ul> </li> <li>• Conduct social contribution activities dealing with environmental issues               <ul style="list-style-type: none"> <li>- Continue conducting cleanup activities, etc.</li> </ul> </li> </ul>
<b>Our employees</b>	<ul style="list-style-type: none"> <li>• Conduct SMFG joint training sessions               <ul style="list-style-type: none"> <li>- Held joint SMFG new employee program, joint seminar and women's career forum (total participation of approx. 6,500)</li> </ul> </li> <li>• Practiced "Team SMFG" through participation and cooperation in CSR activities</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to conduct SMFG joint training</li> <li>• Continue to practice of "Team SMFG" through participation and cooperation in CSR activities, and expand scope of participants</li> </ul>

For details regarding CSR Activity Performance and Goals of SMFG Companies, please refer to SMFG's website:

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

## CSR Activity Performance and Goals of SMFG Companies

Performance in Fiscal 2015 and Goals for Fiscal 2016 of SMFG group companies are as listed below.

### Sumitomo Mitsui Banking Corporation (SMBC)

	Performance in Fiscal 2015	Goals for Fiscal 2016
<b>Our customers</b>	<ul style="list-style-type: none"> <li>▪ Promotion of Team SMBC improvement activities incorporating changes in customer opinions               <ul style="list-style-type: none"> <li>- Fully revised "Etiquette Handbook"</li> <li>- Created "Marketing Materials Production Guidelines" incorporating universal design concepts</li> </ul> </li> <li>▪ Enhancement of support for branches to apply "putting the customer first" thinking               <ul style="list-style-type: none"> <li>- Continued accepting trainees and expanded programs</li> <li>- Held "Universal Manner" training (twice, for head office staff and for all employees)</li> <li>- Continued to provide support tools to entrench "putting the customer first" thinking</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Promotion of improvement activities through Team SMBC based on internal and external environmental changes               <ul style="list-style-type: none"> <li>- Quickly and accurately grasp signs before complaints occur (seeds of issues) through inquiry data, etc., and utilize the information in product and service improvements</li> <li>- Promote improvement activities as Team SMBC based on the Act for Eliminating Discrimination against Persons with Disabilities and Olympics/Paralympics</li> </ul> </li> <li>▪ Support for branches in "restoring confidence for customer satisfaction"               <ul style="list-style-type: none"> <li>- Fully implement "Universal Manner" and utilize "positive feedback"</li> <li>- Continue training, branch visits, and providing training materials</li> </ul> </li> </ul>
<b>Our shareholders and the markets</b>	<ul style="list-style-type: none"> <li>▪ Dialogue with stakeholders, including customers, employees, domestic/overseas NGOs, etc.</li> <li>▪ Enhancement of CSR publicity tools               <ul style="list-style-type: none"> <li>- Enhanced publicity tools online and partially through use of Facebook</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Continuation of dialogue with stakeholders, including customers, employees, domestic/overseas NGOs, etc.</li> <li>▪ Enhancement of CSR communication tools               <ul style="list-style-type: none"> <li>- Collect and utilize video material of CSR activities, including internal communications</li> </ul> </li> </ul>
<b>Society</b>	<ul style="list-style-type: none"> <li>▪ Initiatives to support reconstruction from the Great East Japan Earthquake               <ul style="list-style-type: none"> <li>- In April, changed donation framework in conjunction with the end of the restoration support donations</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Initiatives to support reconstruction from the Great East Japan Earthquake               <ul style="list-style-type: none"> <li>- Revise activities areas in line with local needs and continue volunteer support, continue to support volunteers, gradually taper donation support amounts</li> </ul> </li> </ul>

	Performance in Fiscal 2015	Goals for Fiscal 2016
<b>Society</b>	<ul style="list-style-type: none"> <li>- Held the "Time in Ishinomaki" event at the East Tower to support the reconstruction (700 people invited over two days, March 10 and 11)</li> <li>- Supported restoration and initiatives to prevent forgetting ("Tour de Tohoku" sponsorship)</li> <li>▪ Work to solve social problems in partnership with NPOs, etc. <ul style="list-style-type: none"> <li>- Donated from the SMBC volunteer fund to NPOs, etc. involved in social issues (30 organizations ¥21 million)</li> <li>- Commenced programs for Tokyo 2020</li> <li>- Implemented contribution activities through retail divisions and in each region</li> </ul> </li> <li>▪ Support for seniors, people with cognitive impairment and disabilities <ul style="list-style-type: none"> <li>- Maintained deployment of at least one cognitive impairment supporter per branch</li> <li>- Commenced cognitive impairment supporter training for 1,600 new recruits</li> <li>- Partnered with municipalities nationwide to promote system for protecting the elderly</li> <li>- Established new "Universal Manner" training while continuing to train Service Care Attendants</li> </ul> </li> <li>▪ Contribution to raising the level of financial literacy <ul style="list-style-type: none"> <li>- Started new initiative with government, etc.</li> </ul> </li> <li>▪ Initiatives for local issues in Asia <ul style="list-style-type: none"> <li>- Ramped up CSR activities and customer partnerships in Indonesia</li> <li>- Started scholarship program in Myanmar and concluded memorandum of understanding with UNICEF on training program for elementary and junior high school teachers</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- Continue support for restoration and measures to prevent forgetting ("Tour de Tohoku" sponsorship)</li> <li>▪ Work to solve social problems in partnership with NPOs, etc. <ul style="list-style-type: none"> <li>- Continue donations to NPOs, etc., involved in social issues and continue volunteer support</li> <li>- Ramp-up development of programs for Tokyo 2020 →Consider expanding to all sites nationwide</li> <li>- Donate to Cabinet Office's "Fund to Support Children's Future" and begin partnership</li> </ul> </li> <li>▪ Support for seniors, and people with cognitive impairment and disabilities <ul style="list-style-type: none"> <li>- Continue cognitive impairment supporter training and start industry coordination</li> <li>- Continue with qualification acquisition and training</li> </ul> </li> <li>▪ Contribution to raising the level of financial literacy <ul style="list-style-type: none"> <li>- Continue promoting initiatives with government, etc.</li> </ul> </li> <li>▪ Initiatives for local issues in Asia <ul style="list-style-type: none"> <li>- Expand activities in Indonesia, India, and Myanmar</li> </ul> </li> </ul>

	Performance in Fiscal 2015	Goals for Fiscal 2016
<b>The environment</b>	<ul style="list-style-type: none"> <li>▪ Promotion of environmental businesses               <ul style="list-style-type: none"> <li>- Issued first Green Bonds by a mega bank (Oct.)</li> </ul> </li> <li>▪ Management of environmental risks               <ul style="list-style-type: none"> <li>- Formulated investment/financing policy for coal industry (first for Japanese bank)</li> </ul> </li> <li>▪ Reduction of environmental impact               <ul style="list-style-type: none"> <li>- Changed EMS management framework, including at Head Office East Tower</li> <li>- Reduced CO<sub>2</sub> emissions and copy paper usage</li> </ul> </li> <li>▪ Environment-related social contribution activities               <ul style="list-style-type: none"> <li>- Started volunteer participation in research activities of Tohoku University involving surveys of tsunami impact on ecosystems (May-Aug., 6 times total)</li> <li>- Participated in volunteer tree-planting activities at sites in Japan and overseas (Watari, Miyagi Pref., Indonesia, China, etc.)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Promotion of environmental businesses               <ul style="list-style-type: none"> <li>- Promote initiatives to alleviate worsening global environment, promote proper responses, environmentally-friendly loans, etc.</li> </ul> </li> <li>▪ Management of environmental risks               <ul style="list-style-type: none"> <li>- Manage operations and organize issues based on investment/financing policy for coal industry</li> </ul> </li> <li>▪ Reduction of environmental impact               <ul style="list-style-type: none"> <li>- Prepare response to new ISO 14001 standard for full implementation in fiscal 2017</li> </ul> </li> <li>▪ Environment-related social contribution activities               <ul style="list-style-type: none"> <li>- Continue ecosystem impact surveys, volunteer tree-planting activities, etc.</li> </ul> </li> </ul>
<b>Our employees</b>	<ul style="list-style-type: none"> <li>▪ Promotion of work-life balance and diversity               <ul style="list-style-type: none"> <li>- Promoted SMBC Nadeshiko Loan and Private Placement Bonds</li> <li>- Established nursing care website for employees and held nursing care seminars</li> </ul> </li> <li>▪ Global development of human resources               <ul style="list-style-type: none"> <li>- Conducted global human resource training through Japan-US foundation</li> </ul> </li> <li>▪ Promotion of internal education and communication on CSR               <ul style="list-style-type: none"> <li>- Conducted training for employees (new recruits, newly appointed managers)</li> <li>- Held various report briefings for employees</li> <li>- Posted employees CSR activities on the Internet, etc.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Promotion of work-life balance and diversity               <ul style="list-style-type: none"> <li>- Promote SMBC Nadeshiko Loan and Private Placement Bonds</li> <li>- Consider response to LGBT community</li> </ul> </li> <li>▪ Global development of human resources               <ul style="list-style-type: none"> <li>- Continue global human resource training through foundations</li> </ul> </li> <li>▪ Promotion of internal education and communication on CSR               <ul style="list-style-type: none"> <li>- Conduct training for employees (new recruits, newly appointed managers)</li> <li>- Hold report briefings for employees</li> <li>- Collect and utilize video footage of CSR activities</li> </ul> </li> </ul>

## ■ Sumitomo Mitsui Finance and Leasing (SMFL)

	Performance in Fiscal 2015	Goals for Fiscal 2016
<b>Our customers</b>	<ul style="list-style-type: none"> <li>▪ Identification of customer needs               <ul style="list-style-type: none"> <li>- Launched the Business Solution Promotion Team and promoted identification of customer needs, consideration of multifaceted solutions and improvement of solutions proposal capabilities</li> <li>- Conducted 6<sup>th</sup> CS survey</li> </ul> </li> <li>▪ Enhancement of customer service capability               <ul style="list-style-type: none"> <li>- Started full-scale operations at US office and new company in China (Shanghai) Pilot Free Trade Zone</li> <li>- Diversified materials handled (trade finance (machinery and equipment, raw materials, parts, etc.) / China factoring, foreign-denominated transactions)</li> <li>- Made lease company in Germany a consolidated subsidiary</li> </ul> </li> <li>▪ Enhancement of communication               <ul style="list-style-type: none"> <li>- Japanese corporate brochure: Revised to update design, business topics, etc.</li> <li>- English corporate brochure: Updated to align with needs of overseas customers (added Sumitomo history, etc.)</li> <li>- Added content linked to newspaper articles and advertisements ("SMFL is working in places like this") to website; featured 1) hydrogen, 2) agriculture, 3) health care</li> <li>- Improved usability (posted digital corporate brochure in month of printing)</li> <li>- Improved web server connectivity</li> </ul> </li> <li>▪ Strengthening of compliance               <ul style="list-style-type: none"> <li>- Conducted training and study seminars on legal and regulatory compliance and information management</li> <li>- Formulated and implemented manual on screening for anti-social forces for overseas offices</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Identification of customer needs               <ul style="list-style-type: none"> <li>- Further develop business solution activities using PDCA cycle</li> <li>- Continue conducting business solution seminars</li> <li>- Enhance information provided to customers on subsidies, tax benefits, and other areas of high demand</li> </ul> </li> <li>▪ Enhancement of customer service capability               <ul style="list-style-type: none"> <li>- Establish collaborative European framework for strengthening global financing system</li> <li>- Continue diversification of materials handled</li> </ul> </li> <li>▪ Enhancement of communication               <ul style="list-style-type: none"> <li>- Japanese corporate brochure: Reflect opinions/comments from branches and incorporate necessary improvements into printed copy</li> <li>- English corporate brochure: Revise to content more appealing to readers based on outside evaluation</li> <li>- Continue producing content linked to newspaper articles and advertisements</li> <li>- Start producing new content to vitalize internal communication</li> <li>- Start producing new content for PR to students</li> <li>- Continue updating existing content (case studies page)</li> </ul> </li> <li>▪ Strengthening of compliance               <ul style="list-style-type: none"> <li>- Continue conducting training and study seminars and revise and further reinforce systems for compliance with revised Act on Prevention of Transfer of Criminal Proceeds</li> <li>- Reject all relationships with anti-social forces throughout the Group domestically and overseas and further strengthen prevention of money laundering</li> </ul> </li> </ul>

	Performance in Fiscal 2015	Goals for Fiscal 2016
<b>Our shareholders and the markets</b>	<ul style="list-style-type: none"> <li>▪ Strengthening of disclosure activities               <ul style="list-style-type: none"> <li>- Conducted debt IR activities at 14 companies centered on central investors</li> <li>- Conducted IR activities for following up new acquisitions</li> </ul> </li> <li>▪ Shareholder collaboration               <ul style="list-style-type: none"> <li>- Promoted CSR implementation with awareness of SMFG acquiring ISO 26000</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Strengthening of disclosure activities               <ul style="list-style-type: none"> <li>- Continue to conduct IR for main investors</li> <li>- Conduct IR for new investors amid changing finance environment</li> </ul> </li> <li>▪ Shareholder collaboration               <ul style="list-style-type: none"> <li>- Promote CSR implementation with awareness of SMFG acquiring ISO 26000</li> </ul> </li> </ul>
<b>Society</b>	<ul style="list-style-type: none"> <li>▪ Contribution to raising the level of financial literacy               <ul style="list-style-type: none"> <li>- Provided donation lectures at four universities nationwide (Aoyama Gakuin University, Nihon University, Kansai University, Ritsumeikan University)</li> <li>- Conducted finance lectures for 150 high school students and teachers in Indonesia</li> </ul> </li> <li>▪ Maintenance and enhancement of healthcare environment               <ul style="list-style-type: none"> <li>- Promoted initiatives for newly opened clinics, and medical equipment leases for China</li> </ul> </li> <li>▪ Promotion of social contribution activities               <ul style="list-style-type: none"> <li>- Continued the TABLE FOR TWO/CUP FOR TWO programs and eco cap collection program at the relocated head office</li> <li>- Held companywide blood donation drive (August, February)</li> <li>- Held in-house sales of vocational program products (May, November)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Contribution to raising the level of financial literacy               <ul style="list-style-type: none"> <li>- Continue to hold donation lectures at universities and finance lectures in Indonesia</li> </ul> </li> <li>▪ Maintenance and enhancement of healthcare environment               <ul style="list-style-type: none"> <li>- Start full-scale medical device leasing initiatives in China and other parts of Asia</li> <li>- Strengthen alliances with medical device manufacturers</li> </ul> </li> <li>▪ Promotion of social contribution activities               <ul style="list-style-type: none"> <li>- Continue the TABLE FOR TWO/CUP FOR TWO programs and eco cap collection program</li> <li>- Continue to conduct companywide blood donation drives</li> <li>- Continue to hold in-house sales events of vocational program products</li> </ul> </li> </ul>
<b>The environment</b>	<ul style="list-style-type: none"> <li>▪ Social awareness-raising about environmental activities               <ul style="list-style-type: none"> <li>- Continued to participate in SMFG clean up campaigns</li> <li>- Helped to sponsor the EARTH PHOTO CONTEST</li> </ul> </li> <li>▪ Promotion of environmental business               <ul style="list-style-type: none"> <li>- Promoted renewable energy business centering on solar power and purchase and sales of used equipment in Asia</li> <li>- Continued renewal of ISO 14001, conducted EMS study sessions</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Social awareness-raising about environmental activities               <ul style="list-style-type: none"> <li>- Continue to participate in clean up campaigns</li> <li>- Continue to help sponsor the EARTH PHOTO CONTEST</li> </ul> </li> <li>▪ Promotion of environmental businesses               <ul style="list-style-type: none"> <li>- Actively promote renewable energy business and used equipment sales</li> <li>- Continue acquisition of ISO 14001 certification</li> </ul> </li> </ul>

	Performance in Fiscal 2015	Goals for Fiscal 2016
<b>Our employees</b>	<ul style="list-style-type: none"> <li>▪ Enhancement of company participation awareness               <ul style="list-style-type: none"> <li>- Conducted employee recruiting via newspaper advertisements, corporate brochures, and online publicity</li> </ul> </li> <li>▪ Employee development               <ul style="list-style-type: none"> <li>- Conducted level-based training for mid-level and upper-level management</li> <li>- Held various seminars for executives, managers, and new employees</li> <li>- Expanded language training</li> <li>- Held level-based group training at Japan head office for training national staff at overseas offices</li> </ul> </li> <li>▪ Promotion of diversity               <ul style="list-style-type: none"> <li>- Expanded explanations of the new recruit system</li> <li>- Defined in-house policies on diversity and work-life balance</li> </ul> </li> <li>▪ Improvement of work styles looking ahead to the head office relocation               <ul style="list-style-type: none"> <li>- Further developed internal intranet, set meeting rules, conducted time management seminars, etc. to raise administrative efficiency</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Employee development               <ul style="list-style-type: none"> <li>- Further expand level-based training and career development</li> <li>- Upgrade ACP program</li> <li>- Increase overseas staff</li> <li>- Continue conducting level-based training for national staff at overseas offices</li> </ul> </li> <li>▪ Promote diversity               <ul style="list-style-type: none"> <li>- Rebuild diversity promotion system</li> <li>- Enhance the flexible working systems</li> </ul> </li> </ul>

### ■ SMBC Nikko Securities (SMBC Nikko)

	Performance in Fiscal 2015	Goals for Fiscal 2016
<b>Our customers</b>	<ul style="list-style-type: none"> <li>▪ Initiatives to raise customer satisfactions               <ul style="list-style-type: none"> <li>- Conducted fiscal 2015 CS survey</li> <li>- Held VOC (Voice of the Customer) meetings</li> <li>- Took steps to improve the quality of products and services by analyzing VOC feedback</li> <li>- Conducted customer satisfaction training for employees</li> <li>- Provided information in-house on common company-wide customer and employee satisfaction goals</li> <li>- Held CS Improvement Committee meetings</li> </ul> </li> <li>▪ Response to advance of aging society               <ul style="list-style-type: none"> <li>- Conducted Cognitive Impairment Supporter Training for all sales employees</li> <li>- Assigned employees with Service Care Attendant certification to the main branch</li> <li>- Provided the Health Care Consultation Service 24</li> <li>- Assigned with Inheritance Consultation Managers certification to the main branch</li> </ul> </li> <li>▪ Compliance system               <ul style="list-style-type: none"> <li>- Continued to strengthen the compliance system on a Group basis</li> <li>- Continued to implement measures to entrench the information security system</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Initiatives to raise customer satisfaction               <ul style="list-style-type: none"> <li>- Conduct the fiscal 2016 CS survey</li> <li>- Hold VOC feedback meetings</li> <li>- Take steps to improve the quality of products and services by analyzing VOC feedback</li> <li>- Conduct customer satisfaction training for employees</li> <li>- Provide information in-house on common company-wide customer and employee satisfaction goals</li> <li>- Hold CS Improvement Committee meetings</li> <li>- Make service improvements based on "positive feedback"</li> </ul> </li> <li>▪ Respond to onset of aging society               <ul style="list-style-type: none"> <li>- Conduct the Cognitive Disorder Supporter Training Lecture for all sales employees</li> <li>- Assign employees with Service Care Attendant certification to the main branch</li> <li>- Provide the Health Care Consultation Service 24</li> <li>- Assign employees certified as "Inheritance Consultation Managers" to head office and branches</li> </ul> </li> <li>▪ Promotion of elimination of discrimination based on disability               <ul style="list-style-type: none"> <li>- Consider and conduct specific measures in conjunction with enforcement in April 2016 of the Act for Eliminating Discrimination against Persons with Disabilities</li> </ul> </li> <li>▪ Compliance system               <ul style="list-style-type: none"> <li>- Further entrench "Compliance for the Sake of Customers"</li> </ul> </li> </ul>

	Performance in Fiscal 2015	Goals for Fiscal 2016
<b>Our shareholders and the markets</b>	<ul style="list-style-type: none"> <li>▪ Continued sales of environmental investment trusts</li> <li>▪ Sales of social contribution bonds</li> <li>▪ Ensuring transparency of information disclosure</li> <li>▪ Continued strengthening of the management system for corporate related information</li> <li>▪ Started Japanese technology venture incubation based on entrepreneurial standpoint</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continued strengthening of corporate information management systems</li> <li>▪ Setting of CSR investment themes to attract investor attention and provide related products               <ul style="list-style-type: none"> <li>- Continue sales of environmental investment trusts</li> <li>- Sell social contribution bonds</li> </ul> </li> <li>▪ Continued incubation of Japanese technology ventures from entrepreneurial standpoint</li> <li>▪ Initiatives for acquiring next-generation investors</li> <li>▪ Conduct detailed analysis and measures based on the analysis to increase ranking in fiscal 2016 TOYOKEIZAI CSR Ranking</li> <li>▪ Resetting of issues to be addressed in CSR (determined materiality)</li> </ul>

	Performance in Fiscal 2015	Goals for Fiscal 2016
<b>Society</b>	<ul style="list-style-type: none"> <li>▪ Continued promotion of contribution to raising financial literacy               <ul style="list-style-type: none"> <li>- Provided lectures to universities, the UNISA program promoting financial literacy among university students, workplace experience, company tours and training, and the Nikko Family Exciting Experience Day; conducted visiting lectures and created teaching materials for elementary school pupils, etc.</li> </ul> </li> <li>▪ Planning of social contribution activities for the purpose of raising the rate of management and employee participation               <ul style="list-style-type: none"> <li>- Started volunteering for Shiki Theatre's "Kokoro no Gekijo"</li> </ul> </li> <li>▪ Continued promotion of diversity               <ul style="list-style-type: none"> <li>- Supported sports for persons with disabilities (blind soccer, etc.)</li> </ul> </li> <li>▪ Continued support for recovery and reconstruction efforts following the Great East Japan Earthquake               <ul style="list-style-type: none"> <li>- Operated the "Company Connection System" for the Japan Red Cross, etc.</li> </ul> </li> <li>▪ Creation of a framework for establishment of fiscal 2016 volunteer fund with executive and employee participation</li> <li>▪ Appointment of CSR Promotion Officers</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continued promotion of contribution to raising financial literacy               <ul style="list-style-type: none"> <li>- Provide lectures to universities, the UNISA program promoting financial literacy among university students, workplace experience, company tours and training, and the Nikko Family Exciting Experience Day; conduct visiting lectures nationwide, and distribute textbooks about money to university students' associations</li> </ul> </li> <li>▪ Planning of social contribution activities for the purpose of raising the rate of management and employee participation               <ul style="list-style-type: none"> <li>- Conduct volunteer operation of Shiki Theatre's "Kokoro no Gekijo" at branches nationwide</li> </ul> </li> <li>▪ Establishment of a system to grasp participants in social contribution activities and to ascertain numerical figures on participation status</li> <li>▪ Continued promotion of diversity               <ul style="list-style-type: none"> <li>- Support sports for persons with disabilities (blind soccer, etc.)</li> </ul> </li> <li>▪ Continued support for recovery and reconstruction efforts following the Great East Japan Earthquake               <ul style="list-style-type: none"> <li>- Operate the "Company Connection System" for the Japan Red Cross, etc.</li> </ul> </li> <li>▪ Establishment of fiscal 2016 volunteer fund with executive and employee participation</li> </ul>

	Performance in Fiscal 2015	Goals for Fiscal 2016
<b>The environment</b>	<ul style="list-style-type: none"> <li>▪ Placed 18th in financial industry in the fiscal 2015 Nikkei Environmental Management Survey</li> <li>▪ Holding of Green Week 2015 to strengthen environmental protection and social contribution activities</li> <li>▪ Expansion of operations and scope of applicability for ISO 14001 environmental management systems</li> <li>▪ Implementation of energy and resource saving measures</li> <li>▪ Continued promotion of measures to reduce environment impact to attain environmental targets and reconsideration of numerical environmental targets</li> </ul>	<ul style="list-style-type: none"> <li>▪ Creation of detailed analysis and conduct measures based on analysis to raise ranking in the fiscal 2016 Nikkei Environmental Management Survey</li> <li>▪ Green Week 2016 for strengthening environmental protection and social contribution activities</li> <li>▪ Continued implementation of ISO 14001 environmental management system <ul style="list-style-type: none"> <li>- Continue policy of installing LED lights when establishing new branches or relocating branches</li> </ul> </li> <li>▪ Continued promotion of measures to reduce environment impact to attain environmental targets and reconsideration of numerical environmental targets</li> </ul>
<b>Our employees</b>	<ul style="list-style-type: none"> <li>▪ Continued promotion of diversity <ul style="list-style-type: none"> <li>- Implemented policies promoting the employment of people with disabilities, add the introduction of a mentor system</li> </ul> </li> <li>▪ Establishment of Nikko Miran <ul style="list-style-type: none"> <li>- Supported the activities of athletes with disabilities by hiring them and provided employment opportunities for people with disabilities</li> </ul> </li> <li>▪ Further enhancement of work-life balance</li> <li>▪ Further enhancement of various types of training</li> <li>▪ Strengthening of the education system for young employees</li> <li>▪ Penetration of CSR <ul style="list-style-type: none"> <li>- Enhanced the CSR Initiatives page on the Company website in conjunction with its upgrade</li> </ul> </li> <li>▪ Conducting of employee satisfaction enhancement sessions</li> <li>▪ Conducting of various employee questionnaires</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continued promotion of diversity <ul style="list-style-type: none"> <li>- Start initiatives to achieve action plan for Act to Advance Women's Success in their Working Life</li> </ul> </li> <li>▪ Further enhancement of work-life balance</li> <li>▪ Further enhancement of various types of training <ul style="list-style-type: none"> <li>- Review and polish curriculum and timing for conducting on-the-job training</li> </ul> </li> <li>▪ Strengthening of the education system for young employees <ul style="list-style-type: none"> <li>- Introduce systematic skill acquisition checklist, make training system transparent, and communicate it</li> </ul> </li> <li>▪ Penetration of CSR</li> <li>▪ Conducting of employee satisfaction enhancement sessions</li> <li>▪ Conducting of various employee questionnaires</li> </ul>

### ■ SMBC Friend Securities (SMBC Friend)

	Performance in Fiscal 2015	Goals for Fiscal 2016
<b>Our customers</b>	<ul style="list-style-type: none"> <li>▪ Continuation of CS surveys</li> <li>▪ Holding of various types of seminars depending on customers' needs</li> <li>▪ Strengthening of VOC feedback analysis and promotion of utilization               <ul style="list-style-type: none"> <li>- Started Trust Notebook Contest</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Continuation and utilization of CS surveys</li> <li>▪ Promotion of enhancement and diversification of various types of seminars depending on customers' needs</li> <li>▪ Strengthening of VOC feedback analysis and promotion of utilization</li> <li>▪ Response to elderly customers</li> </ul>
<b>Society</b>	<ul style="list-style-type: none"> <li>▪ Publication of CSR Report (September)</li> <li>▪ Participation in SMFG Group coordinated CSR activities               <ul style="list-style-type: none"> <li>- Participated in volunteer activities to assist disaster-stricken areas, management participation-type volunteering and long-term volunteering</li> </ul> </li> <li>▪ Eco-cap collection activity               <ul style="list-style-type: none"> <li>- Donated 213,710 (vaccinations for 248 people)</li> </ul> </li> <li>▪ Donations through donation-type vending machines (Jan., July)</li> <li>▪ Donation of products given by the companies to shareholders (May, Aug., Dec.)</li> <li>▪ Donation of used stamps and spoiled postcards</li> <li>▪ Start of "Book Magic" volunteer, used book, etc. collection program               <ul style="list-style-type: none"> <li>- Collected 732 items at six participating branches and donated the sales proceeds</li> </ul> </li> <li>▪ Establishment of "SMBC Friend Securities Green Fund," a deducted-from-pay donation program</li> <li>▪ Start of dispatching instructors to "Saturday Classes" in partnership with Japan Securities Dealers Association (Sept., Oct., Jan.)</li> <li>▪ Support for cultural and arts-related activities               <ul style="list-style-type: none"> <li>- Sponsored the Yamatane Museum of Art Special Exhibition and the Osaka Philharmonic Orchestra</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Publication of CSR Report</li> <li>▪ Continued participation in SMFG coordinated CSR activities</li> <li>▪ Holding of SMBC Friend Restoration Support Volunteering sessions (Apr.)</li> <li>▪ Continuation of eco-cap collection activity</li> <li>▪ Promotion of use of donation-type vending machines and donations</li> <li>▪ Donation of products given by the companies to shareholders</li> <li>▪ Collection and donation of used stamps and spoiled postcards</li> <li>▪ Continuation of "Book Magic" volunteer, used book, etc. collection program</li> <li>▪ Operation of volunteer fund (first donation)</li> <li>▪ Continued dispatching of instructors to "Saturday Classes" in partnership with Japan Securities Dealers Association</li> <li>▪ Consideration of financial literacy training for customers</li> <li>▪ Continuation of support for cultural and artistic activities</li> </ul>

	Performance in Fiscal 2015	Goals for Fiscal 2016
<b>The environment</b>	<ul style="list-style-type: none"> <li>▪ Sales of “Environmental Sustainability Bonds” (Four issues during the year, total of ¥16.0 billion (including planned issue for March))</li> <li>▪ Continued promotion of corporate activities in accordance with Principles for Financial Action toward a Sustainable Society (Principles for Financial Action for the 21st Century)</li> <li>▪ Exhibition in Eco Products 2015</li> <li>▪ Promotion of reduction in the impact on the environment and utilization of data               <ul style="list-style-type: none"> <li>- Fed back data on multifunction printer usage to all branches</li> </ul> </li> <li>▪ Utilization of eco-materials when renovating branches               <ul style="list-style-type: none"> <li>- Conducted at two branches</li> </ul> </li> <li>▪ Participation in “Cool Earth Day” (eight branches)</li> <li>▪ Participation in SMFG Clean-up Day (Suma, Yodogawa, Arakawa)</li> <li>▪ Started conducting “SMBC Friend Cleanup” volunteer cleanup program in head office area</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continued sales of the “Environmental Sustainability Bond”</li> <li>▪ Continued promotion of corporate activities in accordance with Principles for Financial Action toward a Sustainable Society (Principles for Financial Action for the 21st Century)</li> <li>▪ Exhibition in Eco Products 2016</li> <li>▪ Promotion of reduction in the impact on the environment and utilization of data</li> <li>▪ Utilization of eco-materials when renovating branches</li> <li>▪ Continued participation in SMFG Clean-up Day</li> <li>▪ Continuation of “SMBC Friend Cleanup” volunteer cleanup program in head office area</li> </ul>
<b>Our employees</b>	<ul style="list-style-type: none"> <li>▪ Implementation of work-life balance support programs</li> <li>▪ Holding of children’s open day</li> <li>▪ Dissemination of information for raising CSR awareness of all employees               <ul style="list-style-type: none"> <li>- Conducted CSR lectures in new recruit training</li> <li>- Gathered information via FA meetings and email questionnaires</li> <li>- Published CSR newspaper (Issues 5-9)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Continuation of work-life balance support program</li> <li>▪ Continuation of children’s open day</li> <li>▪ Continued dissemination of information for raising CSR awareness of all employees and further strengthening of the initiative</li> <li>▪ Enhancement of external transmission of information via the Internet, etc.</li> </ul>

### ■ Sumitomo Mitsui Card Company (SMCC)

	Performance in Fiscal 2015	Goals for Fiscal 2016
<b>Our customers</b>	<ul style="list-style-type: none"> <li>▪ Improvement of operations based on VOC feedback</li> <li>▪ Customer loyalty (NPS) status survey</li> <li>▪ Swift and accurate response to VOC feedback and requests for consultation</li> <li>▪ Implementation of various training to enhance customer satisfaction</li> <li>▪ Promotion of various customer satisfaction awareness activities using the company's CS LIVE in-house portal</li> <li>▪ Use of social media to strengthen collection of VOC feedback</li> <li>▪ Continuation of compliance workshops, meetings and use of Compliance Hiroba to transmit information</li> <li>▪ Continuation of in-house monitoring of complaints and consultation records</li> <li>▪ Enhancement of information transmission using IT (website improvement, Facebook use, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Improvement of operations and product development based on VOC feedback</li> <li>▪ Customer loyalty (NPS) status survey</li> <li>▪ Swift and accurate response to VOC feedback and requests for consultation</li> <li>▪ Implementation of various training to enhance customer satisfaction</li> <li>▪ Promotion of various customer satisfaction awareness activities using the company's CS LIVE in-house portal</li> <li>▪ Use of social media to strengthen collection of VOC feedback</li> <li>▪ Continuation of compliance workshops, meetings and use of Compliance Hiroba to transmit information</li> <li>▪ Continuation of in-house monitoring of complaint and consultation records</li> <li>▪ Enhancement of information transmission using IT (website improvement, Facebook use, etc.)</li> </ul>

	Performance in Fiscal 2015	Goals for Fiscal 2016
<b>Society</b>	<ul style="list-style-type: none"> <li>▪ Measures in support of the elderly and people with disabilities               <ul style="list-style-type: none"> <li>- Provided TV phone service for hearing-impaired people</li> <li>- Participated in training for cognitive disorder supporters</li> </ul> </li> <li>▪ Study of financial literacy training for younger people</li> <li>▪ Continuation of the TABLE FOR TWO program</li> <li>▪ Continuation of support for recovery and reconstruction efforts following the Great East Japan Earthquake               <ul style="list-style-type: none"> <li>- Used the BOOKOFF reconstruction support program</li> </ul> </li> <li>▪ Promotion of online donations and point exchanges for donations to organizations related to CSR</li> <li>▪ Collaboration with SMFG (implementation of various measures)</li> <li>▪ Further strengthening of measures against anti-social forces</li> <li>▪ Community support through sponsorship of the Japan Futsal Federation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continued strengthening of financial literacy training for younger people               <ul style="list-style-type: none"> <li>- Develop pocket-money notebook for elementary school students</li> </ul> </li> <li>▪ Measures in support of the elderly and people with disabilities               <ul style="list-style-type: none"> <li>- Provide TV phone service for hearing-impaired people</li> <li>- Participate in training for cognitive disorder supporters</li> </ul> </li> <li>▪ Continuation of the TABLE FOR TWO program</li> <li>▪ Continuation of support for recovery and reconstruction efforts following the Great East Japan Earthquake               <ul style="list-style-type: none"> <li>- Use the BOOKOFF reconstruction support program</li> </ul> </li> <li>▪ Promotion of online donations and point exchanges for donations to organizations related to CSR</li> <li>▪ Collaboration with SMFG (implementation of various measures)</li> <li>▪ Further strengthening of measures against anti-social forces</li> <li>▪ Community support through sponsorship of the Japan Futsal Federation</li> </ul>

	Performance in Fiscal 2015	Goals for Fiscal 2016
<b>The environment</b>	<ul style="list-style-type: none"> <li>▪ Continued compliance with environmental laws and regulations (Amended Energy Saving Act)</li> <li>▪ Continued participation in the training of ISO 14001 internal auditors</li> <li>▪ Promotion of environmental businesses               <ul style="list-style-type: none"> <li>- Promoted online monthly statements for cardholders and affiliated merchants (implemented afforestation according with the number of switches from paper to online statements)</li> <li>- Continued to use environmentally friendly products</li> </ul> </li> <li>▪ Handling of ISO 14001 renewal inspection</li> <li>▪ Participation in the SMFG Environmental Business Forum</li> <li>▪ Continuation of workshops aimed at enhancing environmental awareness</li> <li>▪ Continuation of system for encouraging acquisition of the Eco Test qualification</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continued compliance with environmental laws and regulations (Amended Energy Saving Act))</li> <li>▪ Continued participation in the training of ISO 14001 internal auditors</li> <li>▪ Promotion of environmental businesses               <ul style="list-style-type: none"> <li>- Promote online monthly statements for cardholders and affiliated merchants (implement afforestation according with the number of switches from paper to online statements)</li> <li>- Continue to use environmentally friendly products</li> </ul> </li> <li>▪ Handling of regular ISO 14001 inspections</li> <li>▪ Continued participation in the SMFG Environmental Business Forum</li> <li>▪ Continuation of workshops aimed at enhancing environmental awareness</li> <li>▪ Continuation of system for encouraging acquisition of the Eco Test qualification</li> </ul>
<b>Our employees</b>	<ul style="list-style-type: none"> <li>▪ Efforts to increase the CSR knowledge and awareness of employees               <ul style="list-style-type: none"> <li>- Utilized in-house SNS and newsletter</li> <li>- Continued to conduct CSR questionnaires among employees</li> </ul> </li> <li>▪ Continuation of CSR activities by regional sales departments</li> <li>▪ Company tours for children</li> <li>▪ Enhancement of various systems and training programs (work-life support system and training, work-life planning training, human rights and mental health training)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Improvement of the CSR knowledge and awareness of employees               <ul style="list-style-type: none"> <li>- Utilize in-house SNS and newsletter</li> <li>- Continue to conduct CSR questionnaires among employees</li> </ul> </li> <li>▪ Continued use of the CSR budget for the regional sales departments</li> <li>▪ Company tours for children</li> <li>▪ Enhancement of various systems and training programs (work-life support system and training, work-life planning training, human rights and mental health training)</li> </ul>

### ■ Cedyne Financial Corporation (Cedyne)

	Performance in Fiscal 2015	Goals for Fiscal 2016
<b>Our customers</b>	<ul style="list-style-type: none"> <li>▪ Strengthening of the system for responding to VOC feedback as the highest priority               <ul style="list-style-type: none"> <li>- Implemented rapid response and early resolution to VOC feedback</li> </ul> </li> <li>▪ Improvement of customer satisfaction awareness and promotion of customer satisfaction               <ul style="list-style-type: none"> <li>- Implemented seminars and promoted "CS promotion theme" initiatives</li> </ul> </li> <li>▪ Enhancement of compliance systems               <ul style="list-style-type: none"> <li>- Held regular promotion leader meetings</li> <li>- Strengthened monitoring system and held regular company-wide training</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Strengthening of the system for responding to VOC feedback as the highest priority</li> <li>▪ Improvement of customer satisfaction awareness and promotion of customer satisfaction</li> <li>▪ Enhancement of compliance systems</li> </ul>

	Performance in Fiscal 2015	Goals for Fiscal 2016
<b>Society</b>	<ul style="list-style-type: none"> <li>▪ Continuation of donations and subsidies from socially contributing credit cards               <ul style="list-style-type: none"> <li>- Made donations through the “Chikyuni Yasashii Card” and “ATOM Card”</li> </ul> </li> <li>▪ Donation through point exchange and promotion of online solicitations               <ul style="list-style-type: none"> <li>- Continued to make joint donations to 11 organizations, including the Japanese Red Cross Society</li> </ul> </li> <li>▪ Development of products and services for solving social issues               <ul style="list-style-type: none"> <li>- Provided credit for advanced medical care expenses and loan guarantee service for cost of tearing down vacant houses</li> </ul> </li> <li>▪ Provision of work experience opportunities through internships</li> <li>▪ Support for culture, music and sports</li> <li>▪ Proactive participation in SMFG-run social contribution activities               <ul style="list-style-type: none"> <li>- Joined in volunteer programs and clean-up events</li> </ul> </li> <li>▪ Environmental beautification and conservation activities (regional clean-up activities)               <ul style="list-style-type: none"> <li>- Conducted clean-ups near the Shinagawa and Kikukawa offices</li> <li>- Participated in the Fukuoka Love the Earth activities</li> </ul> </li> <li>▪ Promotion of employee participation-type CSR activities               <ul style="list-style-type: none"> <li>- Promoted eco-cap and cancelled-stamp collection activities</li> <li>- Conducted in-house sales events for produce from Fukushima</li> <li>- Conducted in-house sales events for confectionery to support the autonomy of people with disabilities</li> <li>- Conducted blood donation drives</li> <li>- Held training lectures for cognitive impairment supporters</li> <li>- Held first-aid classes (AED classes)</li> <li>- Installed donation-linked vending machines</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Continuation of donations and subsidies from socially contributing credit cards</li> <li>▪ Donation through point exchange and promotion of online solicitations</li> <li>▪ Development of products and services for solving social issues</li> <li>▪ Provision of work experience opportunities through internships</li> <li>▪ Support for culture, music and sports</li> <li>▪ Proactive participation in SMFG-run social contribution activities</li> <li>▪ Environmental beautification and conservation activities (regional clean-up activities)</li> <li>▪ Promotion of employee participation-type CSR activities               <ul style="list-style-type: none"> <li>- In addition to continuing existing activities, administer CSR questionnaire and conduct activities in new areas based on internal needs</li> <li>- Consider expanding activities at offices other than Shinagawa office</li> <li>- Communicate activities in advance via internal newsletter, Intranet and Facebook, etc. and provide feedback on activities results</li> </ul> </li> </ul>

	Performance in Fiscal 2015	Goals for Fiscal 2016
<b>The environment</b>	<ul style="list-style-type: none"> <li>▪ Efforts to obtain ISO 140001 certification               <ul style="list-style-type: none"> <li>- Started operation of the environmental management system based on SMFG standard</li> <li>- Conducted EMS seminars at all branches</li> <li>- Conducted internal screening and accommodated certification registration screening</li> </ul> </li> <li>▪ Promotion of environment-related products and services               <ul style="list-style-type: none"> <li>- Encouraged cardholders to change to online statements</li> <li>- Promoted online credit card applications</li> </ul> </li> <li>▪ Promotion of measures to reduce environmental impact               <ul style="list-style-type: none"> <li>- Developed energy-savings activities based on eco-rules</li> </ul> </li> <li>▪ Participation in SMFG Group In Eco Products</li> </ul>	<ul style="list-style-type: none"> <li>▪ Promotion of Environmental Management System (EMS) based on ISO 14001 certification               <ul style="list-style-type: none"> <li>- Continue to improve environmental management system</li> <li>- Handle regular ISO 14001 inspections</li> <li>- Comply with revisions for new standards</li> </ul> </li> <li>▪ Continued promotion of environment-related products and services</li> <li>▪ Promotion of measures to reduce environmental impact</li> <li>▪ Participation in SMFG Group In Eco Products</li> </ul>
<b>Our employees</b>	<ul style="list-style-type: none"> <li>▪ Initiatives to reform corporate culture               <ul style="list-style-type: none"> <li>- Promoted diversity</li> <li>- Conducted personnel exchanges between businesses</li> <li>- Promoted management compass (action guidelines for managers)</li> </ul> </li> <li>▪ Continued enhancement of career design, etc.               <ul style="list-style-type: none"> <li>- Implemented and utilized self-reporting systems and open recruitment system</li> <li>- Further developed retiree re-employment program</li> </ul> </li> <li>▪ Continued promotion of work-life balance</li> <li>▪ Continued maintenance of a crisis management structure</li> <li>▪ Continuation of measures aimed at improving mental health</li> <li>▪ Initiatives to make CSR activities known throughout the company               <ul style="list-style-type: none"> <li>- Educated new company entrants about CSR during induction training</li> <li>- Conducted charity activities with labor union and health insurance society</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Initiatives to reform corporate culture</li> <li>▪ Continued enhancement of career design, etc.</li> <li>▪ Continued promotion of work-life balance</li> <li>▪ Continued maintenance of a crisis management structure</li> <li>▪ Continuation of measures aimed at improving mental health</li> <li>▪ Initiatives to make CSR activities known throughout the company</li> </ul>

### ■ SMBC Consumer Finance (SMBCCF)

	Performance in Fiscal 2015	Goals for Fiscal 2016
<b>Our customers</b>	<ul style="list-style-type: none"> <li>▪ Implementation of CS surveys</li> <li>▪ Formulation of annual plan for raising CS based on CS awareness survey (internal)</li> <li>▪ Meeting of CS Improvement Committee and strengthening of the customer satisfaction promotion system</li> <li>▪ Proposal of service improvement ideas to management               <ul style="list-style-type: none"> <li>- Cumulative proposed: 1,413 (as of Jan. 31, 2016)</li> <li>- Cumulative realized: 39 (as of Jan. 31, 2016)</li> </ul> </li> <li>▪ Acquisition of COPC management system certification for the third consecutive year</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continuation of CS surveys</li> <li>▪ Continuation of CS awareness surveys (in-house)</li> <li>▪ Continuation of CS Improvement Committee</li> <li>▪ Continued promotion of in-house proposal activities for service improvement</li> <li>▪ Continuation of centralized management to improve customer satisfaction and enhance operational efficiency</li> </ul>
<b>Society</b>	<ul style="list-style-type: none"> <li>▪ Formation of a sound consumer finance market               <ul style="list-style-type: none"> <li>- Implemented financial and economic educational activities                   <ul style="list-style-type: none"> <li>- Held 2,535 seminars, etc. in fiscal 2015 with 517,070 people participating; cumulative participation of 517,070 since fiscal 2011 (as of Mar. 31, 2016)</li> </ul> </li> </ul> </li> <li>▪ Realization of an active society and lifestyles full of vitality and happiness               <ul style="list-style-type: none"> <li>- Co-sponsored sports and other events                   <ul style="list-style-type: none"> <li>- Co-sponsored ITTF Japan Open Tokyo 2015</li> <li>- Co-sponsored Rokko Island Halloween &amp; Harvest Festival (Kawasaki, Rokko Island)</li> <li>- Sponsored 20th Promise Essay Award</li> <li>- Sponsored the Society Basic Skills Training Grand Prix</li> </ul> </li> <li>- Introduced the TABLE FOR TWO program</li> <li>- Conducted voluntary employee donation activities</li> <li>- Conducted cognitive disorder supporter training</li> </ul> </li> <li>▪ Provision of information on the CSR website and through public relations tools, etc.               <ul style="list-style-type: none"> <li>- Established "Bincan Station" support site for young people</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Formation of a sound consumer finance market               <ul style="list-style-type: none"> <li>- Continuation of financial and economic educational activities                   <ul style="list-style-type: none"> <li>- Hold seminars, etc., for students and local communities</li> </ul> </li> <li>- Implement initiatives to prevent financial trouble in advance</li> </ul> </li> <li>▪ Realization of an active society and lifestyles full of vitality and happiness               <ul style="list-style-type: none"> <li>- Continue to co-sponsor sports and other events                   <ul style="list-style-type: none"> <li>- Engage in activities in accordance with regional characteristics or needs</li> <li>- Sponsor sports such as table tennis</li> <li>- Sponsor the Promise Essay Award</li> <li>- Sponsor the Society Basic Skills Training Grand Prix</li> </ul> </li> <li>- Conduct voluntary employee donation activities</li> <li>- Continue cognitive disorder supporter training</li> </ul> </li> <li>▪ Provision of information on the CSR website and through public relations tools, etc.               <ul style="list-style-type: none"> <li>- Continue "Bincan Station" support site for young people</li> </ul> </li> </ul>

	Performance in Fiscal 2015	Goals for Fiscal 2016
<b>The environment</b>	<ul style="list-style-type: none"> <li>▪ Promotion of environmental management system (EMS)               <ul style="list-style-type: none"> <li>- Set fiscal 2015 environmental targets (paper and electricity usage reduction)</li> <li>- Obtained ISO 14001 certification (Jan. 2016)</li> <li>- Held EMS seminars and conducted self-checks</li> </ul> </li> <li>▪ Introduction of completely online services for new loan contracts</li> <li>▪ Exhibit at Eco Products in Japan 2015</li> <li>▪ Continuation of grass-roots clean-ups in the communities around each office               <ul style="list-style-type: none"> <li>- Participated in SMFG clean up campaigns (107 people)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Promotion of environmental management system (EMS)               <ul style="list-style-type: none"> <li>- Set fiscal-2016 environmental targets</li> <li>- Handle regular ISO 14001 inspections</li> <li>- Continue initiatives for energy saving and resource saving</li> </ul> </li> <li>▪ Continued promotion of online transactions</li> <li>▪ Exhibition at Eco Products in Japan 2016</li> <li>▪ Continuation of grass-roots clean-ups in the communities around each office</li> </ul>
<b>Our employees</b>	<ul style="list-style-type: none"> <li>▪ Penetration of CSR               <ul style="list-style-type: none"> <li>- Selected CSR Promotion Leaders (61 leaders company-wide)</li> <li>- Conducted workshops and training related to CSR</li> <li>- Conducted questionnaire survey (for all employees)</li> </ul> </li> <li>▪ Promotion of diversity               <ul style="list-style-type: none"> <li>- Promoted women's advancement, senior advancement and global HR training                   <ul style="list-style-type: none"> <li>- Held support seminar for maternity and childcare leave</li> <li>- Reformed retiree re-employment program</li> </ul> </li> <li>- Conducted training for national staff</li> <li>- Conducted awareness survey on promoting the role of women</li> <li>- Held diversity seminars with top management</li> </ul> </li> <li>▪ Maintenance and improvement of the work environment               <ul style="list-style-type: none"> <li>- Held CF Festival</li> <li>- Upgraded the employee training program</li> <li>- Implemented work-life balance measures</li> <li>- Took other measures for workplace health and safety</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Penetration of CSR               <ul style="list-style-type: none"> <li>- Select CSR Promotion Leaders</li> <li>- Continue workshops and training related to CSR</li> <li>- Continue CS surveys</li> </ul> </li> <li>▪ Promotion of diversity               <ul style="list-style-type: none"> <li>- Continue to promote women's advancement, senior advancement and global HR training</li> </ul> </li> <li>▪ Maintenance and improvement of the work environment               <ul style="list-style-type: none"> <li>- Upgrade the employee training program</li> <li>- Continue to implement work-life balance measures</li> <li>- Take other measures for workplace health and safety                   <ul style="list-style-type: none"> <li>- Continue to conduct interviews of all employees by the Human Resources Department staff</li> <li>- Hold combined health and safety committee meetings for all SMBC Consumer Finance group companies</li> </ul> </li> <li>- Conduct employee stress checks</li> </ul> </li> </ul>

### ■ Japan Research Institute (JRI)

	Performance in Fiscal 2015	Goals for Fiscal 2016
<b>Our customers</b>	<ul style="list-style-type: none"> <li>▪ Systems Division               <ul style="list-style-type: none"> <li>- Collaboration with SMBC: Enhanced customer services, including adding new content for customers on tablet terminals for sales</li> <li>- Collaboration with SMCC: Updated Internet service system for customers (Vpass)</li> <li>- Executed action plans based on the results of CS surveys (further improved the quality of systems development projects through an analysis of various system failures and implementation across the entire organization)</li> <li>- Dedicated JRI security department implemented various measures to reinforce security in light of rapid increase in threats and attacks on Internet-related systems</li> </ul> </li> <li>▪ Consulting Division               <ul style="list-style-type: none"> <li>- Executed action plans based on the results of customer surveys (strengthened the institute's proprietary proposal capabilities through a process of selection and focus in key fields)</li> </ul> </li> <li>▪ Continuation of upgrading and expansion of compliance systems, and of in-house education and training</li> </ul>	<ul style="list-style-type: none"> <li>▪ Systems Division               <ul style="list-style-type: none"> <li>- Expand customer services using new technology</li> <li>- Continue to conduct CS surveys, analyze the results, and formulate and execute action plans</li> <li>- Raise security level of SMFG Group overall                   <ul style="list-style-type: none"> <li>- Provide technical support for Internet security at SMFG Group companies</li> </ul> </li> </ul> </li> <li>▪ Consulting Division               <ul style="list-style-type: none"> <li>- Continue to conduct customer surveys, analyze the results, and formulate and execute action plans</li> </ul> </li> <li>▪ Continuation of upgrading and expansion of compliance systems, and of in-house education and training</li> </ul>
<b>Society</b>	<ul style="list-style-type: none"> <li>▪ Development of next-generation transportation infrastructure using automated driving technologies               <ul style="list-style-type: none"> <li>- Continued conducting demonstration projects with municipalities</li> </ul> </li> <li>▪ Consideration of lifestyle support services for seniors               <ul style="list-style-type: none"> <li>- Concluded public-private partnership agreement as a part of the Gap Senior Consortium sponsored by JRI. Developed demonstration projects with municipalities</li> </ul> </li> <li>▪ Support for development of programs for advancing the role of women               <ul style="list-style-type: none"> <li>- Collaboration with SMBC: Supported advancement of women's roles through Nadeshiko loans</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Continuation of the verification project and realization of new community services utilizing new transport infrastructure</li> <li>▪ Definition and realization of lifestyle support services for those likely to require nursing care</li> <li>▪ Continuation of SRI (socially responsible investing) surveys</li> <li>▪ Proposal of policies for advancing the role of women and vitalizing local economies</li> <li>▪ Continuation of support for recovery and reconstruction efforts following the Great East Japan Earthquake               <ul style="list-style-type: none"> <li>- Participate in volunteer activities in support of areas affected by disasters organized by SMFG</li> </ul> </li> </ul>

	Performance in Fiscal 2015	Goals for Fiscal 2016
<b>Society</b>	<ul style="list-style-type: none"> <li>▪ Policy recommendations on medical system reforms</li> <li>- Held the symposium “Toward Construction of Citizen-centered Medical System: Thinking about Medical Insurance System Governance”</li> <li>▪ Collaboration with SMBC Nikko: Initiatives for regional revitalization</li> <li>- Supported overseas sales of local products in partnership with regional banks</li> <li>▪ Collaboration with SMBC: Establishment of the “Incubation &amp; Innovation Initiative,” a business consortium of venture companies, etc. with new technologies to promote open innovation in order to respond to the rapid innovation occurring on a global scale</li> <li>▪ Continuation of support for recovery and reconstruction efforts following the Great East Japan Earthquake</li> <li>- Participated in volunteer activities in support of areas affected by disasters organized by SMFG</li> <li>- Implemented community-based reconstruction support project (support community-building by local residents)</li> <li>▪ Other</li> <li>- Continued to participate in SMFG clean up campaigns</li> </ul>	<ul style="list-style-type: none"> <li>- Continue locally rooted reconstruction support projects (Support resident community-building)</li> <li>▪ Other</li> <li>- Conduct various cleanup activities</li> </ul>

	Performance in Fiscal 2015	Goals for Fiscal 2016
<b>The environment</b>	<ul style="list-style-type: none"> <li>▪ Promotion of environmental business</li> <li>- Supported smart-city projects in Japan and overseas (supported large-scale Home Energy Management System infrastructure preparation project, regional development of dispersed energy project; smart grid trial project in Poland)</li> <li>- Supported promotion of environmental businesses in emerging countries by Japanese companies (urban development in Dawai, Myanmar; waterworks improvement in Myanmar)</li> <li>- Supported corporate evaluations for environmentally friendly loans</li> <li>- Supported corporate evaluations for biodiversity funds</li> <li>- Participated in Eco Products 2015</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continued promotion of environmental businesses</li> <li>- Support smart-city projects within Japan and overseas</li> <li>- Support entry by Japanese companies into environmental business in emerging economies</li> <li>- Support corporate evaluations for environmentally friendly loans</li> <li>- Support corporate evaluations for biodiversity funds</li> <li>- Participate in Eco Products 2016</li> </ul>
<b>Our employees</b>	<ul style="list-style-type: none"> <li>▪ Further promotion of measures for work-life balance</li> <li>- Continued promotion of reviews of working styles at the workplace level</li> </ul>	<ul style="list-style-type: none"> <li>▪ Further promotion of measures for work-life balance</li> </ul>

## ■ THE MINATO BANK (Minato)

	Performance in Fiscal 2015	Goals for Fiscal 2016
<b>Our customers</b>	<ul style="list-style-type: none"> <li>• Measures to increase CS awareness and customer-service capability               <ul style="list-style-type: none"> <li>- Created additional training videos, produced two types based on utilization and promotion at branches, and utilized at all branches from October</li> <li>- Implemented measures to increase customer satisfaction specifically with regard to transactions with elderly customers Conclude an agreement for activities to protect the elderly (Aug.) →Started local protection activities with employees at all branches (Sept.)</li> <li>- Created branches with a welcoming ambience                   <ul style="list-style-type: none"> <li>- Formulated internal guidelines on handling of waiting times (Oct.), etc.</li> </ul> </li> <li>- Conducted monitoring and training of various kinds                   <ul style="list-style-type: none"> <li>- Conducted new monitoring activities and staff training when head office members visit branches, etc.</li> </ul> </li> </ul> </li> <li>• Collection and use of VOC feedback               <ul style="list-style-type: none"> <li>- Conducted CS surveys (July, Nov.)</li> <li>- Implemented initiatives to reflect VOC feedback</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Measures to increase CS consciousness and customer-service capability               <ul style="list-style-type: none"> <li>- Improve CS in transactions with the elderly and people with disabilities, etc.</li> <li>- Promote implementation of local protection activities</li> <li>- Respond to Act for Eliminating Discrimination against Persons with Disabilities</li> <li>- Create branches with a welcoming ambience                   <ul style="list-style-type: none"> <li>- Promote implementation of internal guidelines related to handling of waiting times</li> </ul> </li> </ul> </li> <li>• Collection and use of VOC feedback               <ul style="list-style-type: none"> <li>- Conduct CS surveys</li> <li>- Implement initiatives to reflect VOC feedback</li> </ul> </li> </ul>
<b>Our shareholders and the markets</b>	<ul style="list-style-type: none"> <li>• Disclosure of information in an appropriate and timely manner</li> <li>• Bank briefing meetings, status reports, and information exchange meetings (for corporate and individual customers and the mass media)               <ul style="list-style-type: none"> <li>- Conducted status reports for corporate and private customers (corporate, July; individual, Sept.)</li> <li>- Conducted an information communication session for local media (Nov.) and informal gathering with reporters (Jan.)</li> </ul> </li> <li>• Continued handling of shareholders' special benefits fixed deposits</li> <li>• Continued link to the CSR activities page of the SMFG website</li> </ul>	<ul style="list-style-type: none"> <li>• Disclosure of information in an appropriate and timely manner</li> <li>• Bank briefing meetings, status reports, and information exchange meetings</li> <li>• Continued handling of shareholders' special benefits fixed deposits</li> <li>• Continued link to the CSR activities page of the SMFG website</li> </ul>

	Performance in Fiscal 2015	Goals for Fiscal 2016
<b>Society</b>	<ul style="list-style-type: none"> <li>▪ Promotion of community-based financial services               <ul style="list-style-type: none"> <li>- Exercised consulting capabilities</li> <li>- Participated actively in the comprehensive revitalization of the region</li> </ul> </li> <li>▪ Provision of financial products and services that contribute to society and the region</li> <li>▪ Participation in regional communities and contribution to their development               <ul style="list-style-type: none"> <li>- Invited children to local soccer team games (July, Nov.)</li> <li>- Held workshop (Aug.) and soccer clinic (Nov.)</li> <li>- Held financial classes at special needs school (Dec., Jan.)</li> <li>- Dispatched instructors to classes provided in partnership between industry and academia, etc. (two universities; June, Dec.)</li> <li>- Supported and participate cooperatively in regional events in Hyogo Prefecture                   <ul style="list-style-type: none"> <li>- Sponsored the Kobe Marathon (Nov.) with 62 Bank employees participating as volunteers</li> <li>- Co-sponsored Shiki Theatre's "Kokoro no Gekijo;" etc.</li> </ul> </li> </ul> </li> <li>▪ Prevention of bank transfer frauds and other financial crimes               <ul style="list-style-type: none"> <li>- Held seminars on preventing transfer fraud (28 branches)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Promotion of community-based financial services               <ul style="list-style-type: none"> <li>- Exercise consulting capabilities</li> <li>- Participate actively in the comprehensive revitalization of the region, etc.</li> </ul> </li> <li>▪ Provision of financial products and services that contribute to society and the region</li> <li>▪ Participation in regional communities and contribution to their development               <ul style="list-style-type: none"> <li>- Support and participate cooperatively in regional events in Hyogo Prefecture</li> <li>- Conduct initiatives to support the autonomy of children, etc.</li> </ul> </li> <li>▪ Provision of helpful information for local residents, such as on transfer fraud               <ul style="list-style-type: none"> <li>- Continue seminars on preventing transfer fraud</li> </ul> </li> </ul>

	Performance in Fiscal 2015	Goals for Fiscal 2016
<b>The environment</b>	<ul style="list-style-type: none"> <li>▪ Continued marketing of environmental financial products</li> <li>▪ Continued conversion to environmentally considerate branches               <ul style="list-style-type: none"> <li>- Installed energy efficient equipment when relocating, newly establishing, and renovating</li> <li>- Installed energy efficient lighting and air conditioning facilities (Kobe Station Branch: May, etc.)</li> </ul> </li> <li>▪ Continuation of energy and electric power saving activities               <ul style="list-style-type: none"> <li>- Procured electricity from new power (PPS) (Apr.)</li> <li>- Implemented a summertime system (Aug.)</li> </ul> </li> <li>▪ Participation in local cleanup activities               <ul style="list-style-type: none"> <li>- Conducted cleanup activities along the Suma coast through employee volunteers (Sept., 48 participants)</li> <li>- Participated in various types of cleanup activities by branch or block</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Continued marketing of environmental financial products</li> <li>▪ Continued conversion to environmentally considerate branches</li> <li>▪ Continuation of energy and electric power saving activities</li> <li>▪ Participation in local cleanup activities</li> </ul>
<b>Our employees</b>	<ul style="list-style-type: none"> <li>▪ Continuation of support programs for employees returning to work after taking childcare leave               <ul style="list-style-type: none"> <li>- Regularly held training sessions for employees before their return to work after taking childcare leave (Twice in the year: Aug., Mar.)</li> </ul> </li> <li>▪ Continuation and enhancement of nursing care support systems               <ul style="list-style-type: none"> <li>- Implemented use of nursing care leave on a segmented basis and expansion of mutual aid society loans (new nursing care funds)</li> </ul> </li> <li>▪ Enhancement of support systems to enable both work and childcare or nursing care               <ul style="list-style-type: none"> <li>- Expanded short-hours work program and special leave programs (child nursing leave, nursing care)</li> <li>- Introduced assistance program for returning early from childcare leave ("early come-back")</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Continuation of support programs for employees returning to work after taking childcare leave</li> <li>▪ Continuation of nursing care support systems</li> <li>▪ Continuation of support systems to enable both work and childcare or nursing care</li> </ul>

### ■ Kansai Urban Banking Corporation (KUBC)

	Performance in Fiscal 2015	Goals for Fiscal 2016
<b>Our customers</b>	<ul style="list-style-type: none"> <li>▪ Improvement of in-branch CS               <ul style="list-style-type: none"> <li>- Conducted in-branch questionnaire</li> <li>- Improved response capabilities from customer standpoint</li> <li>- Improved products and services, etc. based on VOC feedback</li> </ul> </li> <li>▪ Creation of customer-friendly branches               <ul style="list-style-type: none"> <li>- Soft aspects                   <ul style="list-style-type: none"> <li>- Assigned at least one employee per branch as a cognitive impairment supporter, etc.</li> <li>- Completed installation of AED at all branches</li> </ul> </li> <li>- Hard aspects                   <ul style="list-style-type: none"> <li>- Rebuilt branches that had aged</li> </ul> </li> </ul> </li> <li>▪ Compliance training               <ul style="list-style-type: none"> <li>- Conducted internal departmental and branch training and compliance staff training</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Improvement of CS at branches               <ul style="list-style-type: none"> <li>- Improve responsiveness from customer standpoint</li> <li>- Improve products and services, etc. based on VOC feedback</li> </ul> </li> <li>▪ Creation of customer-friendly branches               <ul style="list-style-type: none"> <li>- Respond to Act for Eliminating Discrimination against Persons with Disabilities</li> </ul> </li> <li>▪ Compliance training</li> </ul>
<b>Our shareholders and the markets</b>	<ul style="list-style-type: none"> <li>▪ IR presentations               <ul style="list-style-type: none"> <li>- Held presentations for analysts and institutional investors (Tokyo)</li> <li>- Held presentations for individual investors (Osaka and Shiga prefectures)</li> </ul> </li> <li>▪ Strengthening of information dissemination               <ul style="list-style-type: none"> <li>- Issued CSR activities newsletter</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ IR presentations</li> <li>▪ Strengthening of information dissemination</li> </ul>
<b>Society</b>	<ul style="list-style-type: none"> <li>▪ Support for financial literacy               <ul style="list-style-type: none"> <li>- Conducted financial education                   <ul style="list-style-type: none"> <li>- For elementary school students: Conducted bank tours</li> <li>- For high school students: Conducted "Economics Koshien"</li> <li>- For general workforce: Conducted training for Shiga Prefectural Government officials</li> </ul> </li> <li>- Career education                   <ul style="list-style-type: none"> <li>- For middle school students: Conducted vocational learning program</li> <li>- For high school students: Gave occupational presentations</li> <li>- For university students: Provided internships</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Support for financial literacy               <ul style="list-style-type: none"> <li>- Conduct financial and career education</li> </ul> </li> <li>▪ Cleanup activities               <ul style="list-style-type: none"> <li>- Participate in SMFG Cleanup Day and Lake Biwa beautification activities</li> </ul> </li> <li>▪ Participation in volunteer activities</li> <li>▪ Support for local sports               <ul style="list-style-type: none"> <li>- Sponsor sports events</li> <li>- Participate as a volunteer for marathon events</li> </ul> </li> <li>▪ Support for cultural and arts-related activities</li> </ul>

	Performance in Fiscal 2015	Goals for Fiscal 2016
<b>Society</b>	<ul style="list-style-type: none"> <li>▪ Cleanup activities               <ul style="list-style-type: none"> <li>- Participated in Clean-up Day in cooperation with SMFG</li> <li>- Participated in cleanup on Suma coastline, Yodogawa riverside</li> <li>- Participated in Lake Biwa environment beautification activities</li> <li>- Conducted training for new recruits</li> </ul> </li> <li>▪ Participation in volunteer activities               <ul style="list-style-type: none"> <li>- Joint participation in SMFG volunteer activities for executives and employees (volunteer support for disaster-affected areas, etc.)</li> </ul> </li> <li>▪ Support for local sports               <ul style="list-style-type: none"> <li>- Sponsored sports events                   <ul style="list-style-type: none"> <li>- For elementary and junior high school pupils: Held children's baseball tournament, junior high school student table-tennis tournament</li> <li>- For general workforce: Sponsored professional basketball teams</li> </ul> </li> <li>- Volunteered for marathon events                   <ul style="list-style-type: none"> <li>- Osaka Marathon, Kyoto Marathon</li> </ul> </li> </ul> </li> <li>▪ Support for cultural and arts-related activities               <ul style="list-style-type: none"> <li>- Sponsored the National High School Comprehensive Cultural Festival (Held in Shiga Prefecture)</li> <li>- Co-sponsored Lake Biwa Museum in Shiga Prefecture</li> <li>- Sponsored the Kansai performances of Kokoro no Gekijo</li> <li>- Continued to hold lobby concerts</li> </ul> </li> </ul>	

	Performance in Fiscal 2015	Goals for Fiscal 2016
<b>The environment</b>	<ul style="list-style-type: none"> <li>▪ Provision of products and services deeply rooted in each region               <ul style="list-style-type: none"> <li>- Promoted initiatives for “eco time deposits”<sup>*</sup></li> <li><sup>*</sup>Product for donating a fixed percentage of account balance to environmental protection organizations</li> </ul> </li> <li>▪ Strengthening of consulting capabilities               <ul style="list-style-type: none"> <li>- Operated a booth at the 2015 Biwako Environmental Business Exhibition (joint exhibition with extra-governmental organization in Osaka)</li> </ul> </li> <li>▪ Support for environmental literacy               <ul style="list-style-type: none"> <li>- Held a Lake Biwa hands-on learning session (Cruise on which Lake Biwa's water quality, flora and fauna are observed from an environmental-learning boat)</li> </ul> </li> <li>▪ Promoted an Environmental Management System               <ul style="list-style-type: none"> <li>- Participated in summer energy-savings campaign (“Cool Biz”) and winter energy-savings campaign (“Warm Biz”)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Provision of products and services deeply rooted in each region               <ul style="list-style-type: none"> <li>- Continue to promote “eco-time deposits”</li> </ul> </li> <li>▪ Strengthening of consulting capabilities               <ul style="list-style-type: none"> <li>- Operate a booth at the 2016 Biwako Environmental Business Exhibition</li> </ul> </li> <li>▪ Support for environmental literacy               <ul style="list-style-type: none"> <li>- Continue to hold a Lake Biwa hands-on learning session</li> </ul> </li> </ul>
<b>Our employees</b>	<ul style="list-style-type: none"> <li>▪ Promotion of diversity               <ul style="list-style-type: none"> <li>- Received Osaka Labour Bureau Director's Excellence Awards (recognition for companies promoting equality and work-life balance; awards received in both “companies promoting equality” category and “family friendly companies” category)</li> </ul> </li> <li>▪ Implemented work-life balance measures               <ul style="list-style-type: none"> <li>- Held maternity seminar</li> <li>- Held follow-up training for when employees return from childcare leave</li> <li>- Held seminars for employees before their return to work after taking childcare leave</li> </ul> </li> <li>▪ Supported career formation               <ul style="list-style-type: none"> <li>- Promoted women managers</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Promotion of diversity               <ul style="list-style-type: none"> <li>- Implement work-life balance measures</li> <li>- Support career formation                   <ul style="list-style-type: none"> <li>- Promote women managers</li> </ul> </li> </ul> </li> </ul>

## 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 that SMFG should address]**

## As a Financial Group, be a Bridge to the Future

<div style="text-align: center;">  <p><b>Environment</b></p> </div> <p style="text-align: center;">Toward a sustainable world that all can share</p>  <div style="text-align: center; border: 1px solid black; padding: 2px;"> <p>Where we want to be ten years from now</p> <p>A financial services group that takes the lead in tackling global environmental issues</p> </div> <p><b>Issues we should address</b></p> <ul style="list-style-type: none"> <li>● Promoting of environmental management integrated with business</li> <li>● Reducing environmental impact</li> <li>● Managing environmental risks</li> <li>● Promoting environmental businesses</li> <li>● Environment-related social contribution activities</li> </ul>	<div style="text-align: center;">  <p><b>Next Generation</b></p> </div> <p style="text-align: center;">Toward a vibrant society that balances maturity and growth</p>  <div style="text-align: center; border: 1px solid black; padding: 2px;"> <p>Where we want to be ten years from now</p> <p>A financial services group that helps create a society where the next generation can also play an active part vigorously</p> </div> <p><b>Issues we should address</b></p> <ul style="list-style-type: none"> <li>● Support for next generation asset inheritance and business succession</li> <li>● Contributing to Emerging Countries as a Financial Institution</li> <li>● Enhance financial literacy</li> </ul>	<div style="text-align: center;">  <p><b>Community</b></p> </div> <p style="text-align: center;">Toward a healthy and distinctive community in which everyone can participate</p>  <div style="text-align: center; border: 1px solid black; padding: 2px;"> <p>Where we want to be ten years from now</p> <p>A financial services group that contributes to the creation and further development of safe communities, which are the bedrock of Japanese society as a whole</p> </div> <p><b>Issues we should address</b></p> <ul style="list-style-type: none"> <li>● Support reconstruction for the Great East Japan Earthquake</li> <li>● Contribute to achieving and developing safe and secure communities</li> <li>● Community-based activities led by officers and employees</li> <li>● Solve social issues by collaborating with NGOs and NPOs</li> </ul>
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**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)
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

### 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 we 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

Sumitomo Mitsui Financial Group

49

CSR Report 2016

of priority for various social issues. We also engaged in dialog with a number of experts to assess the relative importance assigned by our stakeholders to the various issues. Then in fiscal 2014, through engagement with stakeholders in and outside the Group, we worked to strengthen our review of priority issues and associated initiatives.

**Identifying the issues**

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

We derived around 150 wide-ranging CSR issues from the GRI Guidelines (G4) and ISO 26000 through the discussions with our 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 structure.”

**Standards used for reference in prioritization**

<p><b>Importance to Stakeholders</b></p> <ul style="list-style-type: none"> <li>• International frameworks such as the GRI Guidelines</li> <li>• Items to be researched or pointed by the Socially Responsible Investing (SRI)-related institutions</li> <li>• Suggestions from the strategy advisor to the SMFG Group CSR Committee</li> </ul>	<p><b>Importance to SMFG</b></p> <ul style="list-style-type: none"> <li>• Priority issues from 10 Group companies</li> <li>• Conformity with SMFG’s Business Mission, business ethics, and medium-term management plan</li> <li>• Assessment of risks and possible business opportunities (potential for enhancing enterprise value) in line with pursuit of sustainability</li> </ul>
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**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 system” 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 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. In May 2015, we held a dialog with a number of experts to further clarify more specific matters and issues that SMFG should address in the areas of “medium- to long-term priority issues (environment, next generation, and community)” and “key issues to be addressed on a solid management base.”



## Environment - Toward a Sustainable World That All Can Share



### ■ Management Approach

#### ● Recognition of Social Issues

Many issues have emerged in the world today, from climate change and biodiversity loss to resource depletion and food shortages caused by population increases.

The Intergovernmental Panel on Climate Change holds that resilient societies are formed and sustainable development is promoted when effective measures to address and ameliorate these problems are promoted through reforms to political, social, economic, and technical systems.

In the financial services field, environmental risk assessments must be conducted on financing and investment targets, and emphasis is placed on 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 five themes that SMFG should address.

- Promoting environmental management integrated with business
- Reducing environmental impact
- Managing environmental risks
- Promoting environmental businesses
- Environment-related social contribution activities

#### ● 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 2015 Activities and Issues

In our environmental business initiatives in fiscal 2015, we exceeded over ¥1 trillion for assessment-type financing initiatives, such as the SMBC Environmental Assessment Loans and Private Placement Bonds. Also, in a first among Japanese private banks, we issued "green bonds" for environmentally considerate projects. To reduce our own environmental impact, we decreased energy consumption at our facilities, such as the SMBC East Tower. In addition, two more Group companies acquired the international environmental management standard ISO 14001, bringing the number of major group companies promoting environmental initiatives based on the standard to eight. In environmental preservation activities, around 1,300 employees participated in SMFG Clean-Up Day activities at beaches and riverbanks during the year. We also worked to publicize environmental information and financial services through

publication of our corporate environmental magazine, SAFE, and by exhibiting at the Eco-Products environmental exhibition.

In fiscal 2016, we will obtain third-party certification for the entire Group to ensure the transparency and accuracy of the results of SMFG environmental activities, such as CO<sub>2</sub> emission reduction. We will also advance our environmental initiatives overseas.

#### ● Main Indices

Amount of SMBC Environmental Assessment Loans and Private Placement Bonds\*



(SMBC)

\*Cumulative amount from the start of the initiative to the end of fiscal 2015

## Promoting Environmental Management Integrated with Business

### The Group Environmental Policy (SMFG Group)

#### Basic concepts

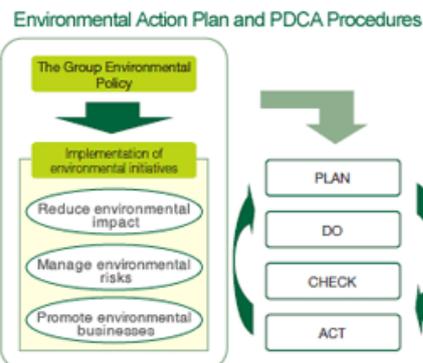
Recognizing the importance of realizing a sustainable society, SMFG is continuously making efforts to harmonize environmental preservation and pollution control with corporate activities, in order to support the economy and contribute to the betterment of society as a whole.

#### 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.

### 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 JRI ). In 1998, SMBC was the first bank in Japan to obtain this certification. The Group has developed the structure to promote EMS which is organized and managed mainly by the Corporate Planning Department and senior environmental officers.



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.
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



### ■ Raising Environmental Awareness (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.

### ■ Environmental Accounting (SMBC)

This table below shows costs associated with SMBC's environmental conservation initiatives, principally entailing expenses incurred with respect to installation of energy-efficient lighting and air conditioning systems. The second table shows the associated environmental impacts partially derived from such expenditures in terms of changes in energy consumption.

## 1. Environmental Conservation Costs

Figures here reflect initiatives at four head office buildings (Tokyo, East Tower, Osaka and Kobe head offices).

(Millions of yen)

Cost Category	Description of Key Actions Taken	Fiscal 2013	Fiscal 2014	Fiscal 2015	YoY change*1
<b>(1) Business area costs</b>	-	2,409	4,391	3,243	-1,148
<b>Breakdown</b>	(1)-1 Pollution prevention	107	117	696	579
	(1)-2 Global environmental conservation	2,274	4,246	2,516	-1,730
	(1)-3 Resource re-use/ recycling	28	28	31	3
<b>(2) Upstream &amp; downstream</b>	-	-	-	-	-
<b>(3) Administration</b>	Development and operation of environmental management framework, disclosure of environmental information, etc.	15	15	16	1
<b>(4) Research and development</b>	-	-	-	-	-
<b>(5) Social activity</b>	Donations related to environmental protection, etc.	56	51	50	-1
<b>(6) Environmental remediation</b>	-	-	-	-	-
<b>Total</b>		2,479	4,457	3,309	-1,148

## 2.Environmental Conservation Benefits

Figures here reflect initiatives at our 507 domestic branches.

Measurement Items		Units	Fiscal 2013	Fiscal 2014	Fiscal 2015	YoY change*2
Direct energy consumption	City gas	Thousand m <sup>3</sup>	2,011	1,807	1,790	-17
	Liquefied petroleum gas (LPG)	t	11	11	11	0
	Heavy fuel oil	kl	5	11	8	-3
	Light oil	kl	3	2	3	1
	Kerosene	kl	6	5	4	-1
	Gasoline (commercial vehicle, etc.)	kl	2,473	2,406	1,961	-445
Indirect energy consumption	Electricity	Thousand kWh	159,120	159,215	160,170	955
	Steam	GJ	36,337	36,568	27,755	-8,813
	Hot water	GJ	1,324	1,935	1,846	-89
	Cold water	GJ	13,355	11,116	10,231	-885
Other energy consumption	Total water and sewage	Thousand m <sup>3</sup>	2,512	2,661	2,522	-139
	CO <sub>2</sub> emissions from business trips	t-CO <sub>2</sub>	7,869	9,261	9,384	123

\*1 Year-on-year change = FY2015 - FY2014. A negative figure indicates a cost decrease.

\*2 Year-on-year change = FY2015 - FY2014. A negative figure indicates a decrease in consumption.

Both cost and consumption decreases show the data by SMBC.

## Reducing Environmental Impact

### 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 2015, a reduction of approximately 2% of CO<sub>2</sub> 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.

### Total CO<sub>2</sub> Emissions of SMFG Group

Measurement Items		Units	SMFG Overall Totals			
			Fiscal 2013	Fiscal 2014	Fiscal 2015	YoY change
Total CO <sub>2</sub> emissions	Direct energy CO <sub>2</sub> emissions	t-CO <sub>2</sub>	10,526	16,308	15,167	-1,141 (-7.00%)
	Indirect energy CO <sub>2</sub> emissions	t-CO <sub>2</sub> (emission coefficient)	179,615	175,443	171,756	-3,687 (-2.10%)
	Subtotal	t-CO <sub>2</sub>	190,141	191,751	186,924	-4,827 (-2.52%)
	Other energy consumption CO <sub>2</sub> emissions	t-CO <sub>2</sub>	14,563	19,935	20,247	+312 (+1.57%)
	CO <sub>2</sub> emissions from business trips	t-CO <sub>2</sub>	10,050	18,661	19,044	
	Total CO <sub>2</sub> emissions	t-CO <sub>2</sub> (emission coefficient)	203,373	211,686	207,171	-4,515 (-2.13%)

### (Reference) Total electricity consumption of individual SMFG companies

Indirect energy consumption	Electricity	Thousand kWh	325,911	324,397	324,128	-269 (-0.08%)
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Note: The figures above represent the simple aggregate of emissions data from each of the 10 SMFG companies.

Fiscal 2014 data has been independently verified by the Japan Quality Assurance Organization.



[Fiscal 2014 Greenhouse Gas Emissions Verification Report \(1.23MB\)](#)

Fiscal 2015 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)

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Global warming countermeasures at offices and branches in Tokyo are reported along with CO<sub>2</sub> 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)

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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)

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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)

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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 CO<sub>2</sub> 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 CO<sub>2</sub> 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)

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

## ■ Promoting Green IT for Financial Systems (SMBC)

SMBC is promoting use of “green IT” for branch terminals and ATMs.

### ● Eliminating Paper through Branch Terminals

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



“CUTE” terminal

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

## Performance Data and Goals of SMFG Group Companies

Environmental performance data and goals of SMFG group companies in fiscal 2015 are as follows.

### Sumitomo Mitsui Banking Corporation (SMBC)

#### Promote Reduction of Environmental Impact

	Goals for fiscal 2015	Performance in fiscal 2015	
Reducing and curbing energy consumption	Reduce real annual consumption of energy at the three head office buildings to 9,500 t-CO <sub>2</sub> or less (in line with previous year.)	8,795t-CO <sub>2</sub>	○
Reducing waste disposal burden	Ensure that the volume of final waste paper included in business-related waste disposal at the three head office buildings is kept below 89 t (the same level as last year)	89.6t	○
Paperless operations	Reduce paper usage at the three head office buildings to 50 million sheets or less (same level as last year, A4 equivalent)	48 million sheets	○
	Encourage use of SMBC Direct online banking services	Expanded smartphone user transactions and strengthened security	○
	Digitize internal paper forms to promote paperless operations	Digitizing internal paper forms reduced paper use by 397,000 sheets	○
Increase operational efficiency	Reduce use of paper resources at branches by introducing SFA (sales assistance system)	Steady progress on development of SFA system. Established usage within departments.	○
	Increase approval request drafting efficiency at overseas branches, and reduce burden	New system introduction facilitated electronic circulation of approval request forms	○
	Increase operational efficiency by abolition of request forms	Transition generally completed	○
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 2015	Performance in fiscal 2015	
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	○
	<ul style="list-style-type: none"> <li>▪ Improve application of the Procedures for Environmental and Social Risk Assessment</li> <li>▪ Heighten bank employee awareness of environmental risk and help them further build their knowledge of such risk</li> <li>▪ Collect information on recent trends related to environment and social risk</li> </ul>	<ul style="list-style-type: none"> <li>▪ Held in-house seminars by external experts</li> <li>▪ Published Equator Principles Explained for Actual Operations</li> <li>▪ Conducted external lectures</li> </ul>	○

### ● Environmental Businesses

	Goals for fiscal 2015	Performance in fiscal 2015	
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"> <li>▪ Revised BOJ Progress Fund requirements</li> <li>▪ Started handling environmental assessment financing in China</li> <li>▪ Conducted PR advertising related to environmental business (Oct., Jan.)</li> <li>▪ Executed environmental assessment considerate financing worth ¥218.9 billion</li> </ul>	○
Strengthening operational frameworks	Provide environment-related operational support to responsible departments by each planning department	<ul style="list-style-type: none"> <li>▪ Supported 38 projects with project finance (19 wind power, 17 solar, 1 solar and wind power, and 1 biomass)</li> <li>▪ Presented a seminar at a hydrogen forum</li> <li>▪ Undertook feasibility study for credit system between two countries</li> </ul>	○

	Goals for fiscal 2015	Performance in fiscal 2015	
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 reducing bills payable (electronic monetary claims recording services)	Increased 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 2015	Performance in fiscal 2015	
Internal and external PR	<ul style="list-style-type: none"> <li>▪ Effectively provide information on environment-related social contribution activities to the mass media</li> <li>▪ Make information available through a disclosure report</li> <li>▪ Enhance online content</li> <li>▪ Provide information through participation in exhibitions, creation of environmental information magazines, and other measures</li> </ul>	<ul style="list-style-type: none"> <li>▪ Issued disclosure report and an annual report on schedule</li> <li>▪ Promoted awareness of Group activities and introduced Group company activities through internal PR</li> <li>▪ Provided more extensive disclosure and better layout in CSR section of website</li> </ul>	○

## ■ Sumitomo Mitsui Finance and Leasing (SMFL)

### ● Promote Reduction of Environmental Impact

	Goals for fiscal 2015	Performance in fiscal 2015	
Energy usage (curbing CO2 emissions)	Reduce electricity usage (kWh) <ul style="list-style-type: none"> <li>Reduce electricity usage by 20% compared with fiscal 2010</li> </ul>	Reduced electricity usage to 70% or less than fiscal 2010 level	○
Paper usage	Reduce full-year 2015 use of copier paper organization-wide <ul style="list-style-type: none"> <li>Reduce paper usage by 45% compared with fiscal 2010</li> </ul>	Reduced paper usage by 47% compared with fiscal 2010	○
Employee education	Conduct CSR and environmental training for young employees at the SMFL In-house Business School and other facilities	<ul style="list-style-type: none"> <li>Conducted induction training for new recruits (including basics of CSR)</li> <li>Established course on processing expired leases</li> <li>Held EMS study sessions</li> </ul>	○
Implementing and studying environmental contribution activities and related measures	<ul style="list-style-type: none"> <li>Promote environment-related social contribution activities</li> <li>Implement internal and external PR activities</li> </ul>	<ul style="list-style-type: none"> <li>Participated in SMFG clean up campaigns</li> <li>Expanded bases for eco cap collection, promoted retrieval of household waste disposal</li> <li>Provided information internally and externally through the website and SMFG CSR Report</li> </ul>	○

### ● Managing Environmental Risks

	Goals for fiscal 2015	Performance in fiscal 2015	
Disposal of leased property	Continue implementing compliance programs and risk management systems	<ul style="list-style-type: none"> <li>Conducted monitoring of intermediate waste disposal contractors and waste collection and transport operators</li> <li>Achieved 100% operation and management of electronic manifests</li> </ul>	○

### ● Environmental Businesses

	Goals for fiscal 2015	Performance in fiscal 2015	
Supporting corporate customers	Promote environmentally friendly lease transactions	<ul style="list-style-type: none"> <li>Promoted renewable energies, mainly solar power</li> <li>Promoted power-saving investment utilizing subsidies</li> <li>Participated in the Environmental Business Forum</li> </ul>	○
	Promote purchase and sale of used machinery	<ul style="list-style-type: none"> <li>Strengthened external procurement, strengthened links with branches and SMBC, strengthened handling of medical equipment</li> <li>Aggressively sold idle facilities (industrial machinery etc.) into Asia</li> </ul>	○

### ■ SMBC Nikko Securities (SMBC Nikko)

#### ● Promote Reduction of Environmental Impact

	Goals for fiscal 2015	Performance in fiscal 2015	
Reduce amount of electricity consumption	Reduce by 10% compared with fiscal 2009 <ul style="list-style-type: none"> <li>Verify trend in consumption per 1 m<sup>2</sup> of floor space (Reduce by 10% from 171 kWh in fiscal 2009)</li> </ul>	177kWh	△
Controlling greenhouse gas emission volume	Reduce by 10% compared with fiscal 2009 <ul style="list-style-type: none"> <li>Verify trend in emissions per person (Reduce by 10% from 1,863 kg in fiscal 2009)</li> </ul>	1,846kg	○
Improve waste sorting and recycling ratio	<ul style="list-style-type: none"> <li>Strengthen management utilizing documented procedures</li> <li>Recycling rate: at least 65%</li> </ul>	69%	○
Controlling water consumption	Maintain performance in line with fiscal 2009 <ul style="list-style-type: none"> <li>Verify trend in consumption per person (10.38 m<sup>3</sup> in fiscal 2009)</li> </ul>	6.54m <sup>3</sup>	○

	Goals for fiscal 2015	Performance in fiscal 2015	
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)	93.00%	○
Managing copier paper purchasing volume	Maintain a performance in line with fiscal 2014 <ul style="list-style-type: none"> <li>Verify shift in usage per person (8,064 sheets in fiscal 2014) (Scope: Tokyo Dia Building No. 5, Yamatane Building Shinkan)</li> </ul>	7,340枚	○

### ■ SMBC Friend Securities (SMBC Friend)

#### ● Promote Reduction of Environmental Impact

	Goals for fiscal 2015	Performance in fiscal 2015	
Reducing electricity usage	Reduce energy usage (curbing CO <sub>2</sub> emissions) <ul style="list-style-type: none"> <li>Reduce electricity usage by 30% compared with fiscal 2010</li> </ul>	Reduced electricity usage by 27% compared with fiscal 2010	△
Reducing copier paper usage	<ul style="list-style-type: none"> <li>Reduce copier paper usage</li> <li>Promote office operational efficiency, introduce work flows ⇒ Decrease per-employee consumption by 18% compared with fiscal 2006</li> </ul>	Decreased per-employee consumption by 11% compared with fiscal 2006	△
Employee education	Continue environmental education and training for employees while increasing awareness through the effective use of environmental websites <ul style="list-style-type: none"> <li>Thoroughly implement specific energy-conservation initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Implemented workshops using the "Workshop Materials related to Environmental Activities"</li> <li>Implemented energy-conservation initiatives in the summer and the winter</li> </ul>	○

### ● Environmental Businesses

	Goals for fiscal 2015	Performance in fiscal 2015	
Providing services	<ul style="list-style-type: none"> <li>Promote provision of electronic delivery for online trading partners (online statements)</li> <li>Promote use of information terminals such as iPads</li> </ul>	<ul style="list-style-type: none"> <li>18,807 cases (as of March 31, 2016)</li> <li>Conducted teleconference study meeting and in-house video distribution to promote tablet use</li> </ul>	○
Providing products	Continue the sale of environmentally conscious products	Sold Environmental Sustainability Bonds four times in the fiscal year, for a total of ¥20.0 billion	○
	Continue to issue reports outlining corporate information with respect to the environment and distribute them internally and externally <ul style="list-style-type: none"> <li>Provide the industry and companies with information related to environmental business</li> </ul>	Updated frequently	○

### ■ Sumitomo Mitsui Card Company (SMCC)

#### ● Promote Reduction of Environmental Impact

	Goals for fiscal 2015	Performance in fiscal 2015	
Energy usage (curbing CO <sub>2</sub> emissions)	Electric power: 1% reduction compared with fiscal 2013 in usage volume per unit area (excluding regional sales departments)	<ul style="list-style-type: none"> <li>Electric power: Reduced consumption by 10.8% compared with fiscal 2014 (as of March 31, 2016)</li> </ul>	○
Paper usage	1% reduction compared with fiscal 2013 in copier paper usage volumes per employee at the fiscal year-end (all departments and branches)	Copier paper: Decreased consumption by 1% compared with fiscal 2014 (as of March 31, 2016)	○
Increase operational efficiency	Promote increased operational efficiency (three measures or more for each division)	Promoted operational efficiency	○

### ● Environmental Businesses

	Goals for fiscal 2015	Performance in fiscal 2015	
Providing services	Promote online monthly statements (corporate and individual) to achieve 740,000 recipients per year	Online monthly statements generated for 775,100 recipients for the year (as of March 31, 2016) (Progress rate: 104.7%; 35,100 more than plan)	○
	Promote online enrollment to achieve 525,000 transactions per year	512,400 online enrollments for the year (as of March 31, 2016) (Progress rate: 97.6%; 12,600 less than plan)	△
	Achieve 375,000 iD business transactions for the year	Generated 392,600 iD business transactions for the year (as of March 31, 2016) (Progress rate: 104.7%; 17,600 more than plan)	○

### ■ Cedyne Financial Corporation (Cedyne)

#### ● Promote Reduction of Environmental Impact

	Goals for fiscal 2015	Performance in fiscal 2015	
Reducing electricity usage	Reduce electricity usage per floor area by 5% from fiscal 2014 (scope: whole company)	3% reduction from fiscal 2014	△
Reducing copier paper usage	Reduce paper usage per person by 3% from fiscal 2014 (scope: Tokyo Head Office)	9% increased from fiscal 2014	×
Green purchasing	Achieve a green purchasing ratio of 60% for stationery and consumables (scope: whole company)	Green purchasing ratio 57%	△
Employee education	Provide employee education	Conducted employee education through workshops	○

### ● Environmental Businesses

	Goals for fiscal 2015	Performance in fiscal 2015	
Providing services	Promote switch to online monthly statements to achieve 1,900,000 online statement users (cumulative)	2,050,000 users	○
	Handle 88,500 applications for C-Web (online application for shopping credit service)	90,295 applications	○

## ■ SMBC Consumer Finance (SMBCCF)

### ● Promote Reduction of Environmental Impact

	Goals for fiscal 2015	Performance in fiscal 2015	
Reducing copier paper usage	1% reduction in sheets outputted from multifunction printers at Head Office compared to fiscal 2014	7.9% reduction compared with fiscal 2014 Reduced through conversion to paperless operation at main meeting bodies and digitization of in-house processes, etc.	○
Reducing electric power usage	1% reduction in electric power usage at Head Office area occupied by SMBCCF compared with fiscal 2014	24.9% reduction compared to fiscal 2014 (Head Office) Revised use of air conditioners outside regular working hours to achieve major reduction	○
Thorough waste sorting	Verify status of waste sorting at Head Office building (conduct one monthly patrol)	Conducted one monthly waste patrol to ensure thorough separation	○

### ● Foster Environmental Awareness

	Goals for fiscal 2015	Performance in fiscal 2015	
Employee education	Conduct workshops related to EMS	<ul style="list-style-type: none"> <li>▪ Conducted CSR Promotion Leaders (environment promotion leaders) meeting</li> <li>▪ Conducted EMS workshops for all employees</li> <li>▪ Conducted basic training on EMS for EMS Promotion Secretariat</li> </ul>	○
Information dissemination	Continuously disseminate relevant awareness-raising information (in-house newsletters and email, etc.)	<ul style="list-style-type: none"> <li>▪ Distributed monthly email magazine to all employees</li> <li>▪ Set up EMS noticeboard on the company intranet to visualize information</li> </ul>	○

## ■ Japan Research Institute (JRI)

### ● Promote Reduction of Environmental Impact

	Goals for fiscal 2015	Performance in fiscal 2015	
Energy usage (curbing CO <sub>2</sub> emissions)	Reduce CO <sub>2</sub> emissions from annual energy use (Reduce usage by area by 3% compared with fiscal 2012)	Reduced usage by area by 11.2% compared with fiscal 2012	○
Paper usage	Reduce copier paper usage per employee (5% reduction compared with fiscal 2012)	Reduced paper use per employee by 28.3% from fiscal 2012	○
Procurement of stationery and office supplies	Reduce purchase volume of stationery and office supplies per employee (3% reduction compared with fiscal 2012)	Reduced purchase volume by 10.1% from fiscal 2012	○
Employee education	Conduct ongoing environmental education and training for employees while increasing environmental awareness	Conducted as planned	○

## Environmental Impact Data of SMFG Group Companies

Direct and Indirect energy consumption data represent figures for each Group company based on the computation methods stipulated under the revised Japan's Act on the Rational Use of Energy.

All other energy consumption data represent figures based on the computation methods of each Group company.

### Sumitomo Mitsui Banking Corporation (SMBC)

Measurement Item		Unit	Fiscal 2013	Fiscal 2014	Fiscal 2015
Direct energy consumption	City gas	Thousand m <sup>3</sup>	2,011.0	1,806.5	1,790.1
		t-CO <sub>2</sub>	4,364.8	3,921.5	3,883.0
	Liquefied petroleum gas (LPG)	t	11.1	11.0	11.0
		t-CO <sub>2</sub>	33.4	33.1	33.0
	Heavy fuel oil	kl	5.1	11.4	7.5
		t-CO <sub>2</sub>	13.7	30.9	20.4
	Light oil	kl	3.0	2.4	2.7
		t-CO <sub>2</sub>	7.8	6.1	6.9
	Kerosene	kl	5.9	4.5	4.3
		t-CO <sub>2</sub>	14.6	11.2	10.7
	Gasoline (automobile)	kl	2,473.3	2,405.8	1,960.6
		t-CO <sub>2</sub>	5,743.1	5,586.3	4,552.6
Indirect energy consumption	Electricity	Thousand kWh	159,119.5	159,214.6	160,170.0
		t-CO <sub>2</sub> (emission coefficient)	82,994.5	83,969.7	82,497.0
	Steam	GJ	36,337.0	36,567.9	27,754.8
		t-CO <sub>2</sub>	2,816.8	2,834.7	2,151.5
	Hot water	GJ	1,323.5	1,935.2	1,845.5
		t-CO <sub>2</sub>	102.6	150.0	143.1
Cold water	GJ	13,355.4	11,116.1	10,231.0	
	t-CO <sub>2</sub>	1,035.3	861.7	793.0	
Other energy consumption	CO <sub>2</sub> emissions from business trips	t-CO <sub>2</sub>	7,869.4	9,260.7	9,383.9
	Total water and sewage	Thousand m <sup>3</sup>	2,511.7	2,660.7	2,521.7
t-CO <sub>2</sub>		1,130.2	1,197.3	1,134.7	
Total CO <sub>2</sub> emissions	Direct energy CO <sub>2</sub> emissions	t-CO <sub>2</sub>	4,434.3	9,589.1	8,506.6
	Indirect energy CO <sub>2</sub> emissions	t-CO <sub>2</sub> (emission coefficient)	86,949.2	87,816.1	85,584.6
	Other energy CO <sub>2</sub> emissions	t-CO <sub>2</sub>	8,999.6	10,458.0	10,518.7
	CO <sub>2</sub> emissions total	t-CO <sub>2</sub> (emission coefficient)	100,383.1	107,863.2	104,609.9

### ■ Sumitomo Mitsui Finance and Leasing (SMFL)

Measurement Item		Unit	Fiscal 2013	Fiscal 2014	Fiscal 2015
Direct energy consumption	City gas	Thousand m <sup>3</sup>	54.8	50.6	24.9
		t-CO <sub>2</sub>	125.0	115.9	57.0
	Gasoline (automobile)	kl	—	395.4	369.0
		t-CO <sub>2</sub>	—	917.3	856.1
Indirect energy consumption	Electricity	Thousand kWh	2,395.4	2,363.1	2,088.5
		t-CO <sub>2</sub> (emission coefficient)	1,257.6	1,254.8	1,109.0
Other energy consumption	CO <sub>2</sub> emissions from business trips	t-CO <sub>2</sub>	—	1,300.8	1,499.9
Total CO <sub>2</sub> emissions	Direct energy CO <sub>2</sub> emissions	t-CO <sub>2</sub>	125.0	1,033.2	913.1
	Indirect energy CO <sub>2</sub> emissions	t-CO <sub>2</sub> (emission coefficient)	1,257.6	1,254.8	1,109.0
	Other energy CO <sub>2</sub> emissions	t-CO <sub>2</sub>	0.0	1,300.8	1,499.9
	CO <sub>2</sub> emissions total	t-CO <sub>2</sub> (emission coefficient)	1,382.6	3,588.8	3,522.0

### ■ SMBC Nikko Securities (SMBC Nikko)

Measurement Item		Unit	Fiscal 2013	Fiscal 2014	Fiscal 2015
Direct energy consumption	City gas	Thousand m <sup>3</sup>	119.3	82.9	95.6
		t-CO <sub>2</sub>	267.7	186.0	214.5
	Heavy fuel oil	kl	9.3	2.2	2.2
		t-CO <sub>2</sub>	25.2	6.0	6.0
	Kerosene	kl	16.6	18.7	0.0
		t-CO <sub>2</sub>	41.3	46.6	0.0
Gasoline (automobile)	kl	1,435.6	1,475.0	1,455.2	
	t-CO <sub>2</sub>	3,330.6	3,422.0	3,376.1	
Indirect energy consumption	Electricity	Thousand kWh	27,560.9	27,775.7	29,850.9
		t-CO <sub>2</sub> (emission coefficient)	12,141.8	15,323.2	15,735.2
	CO <sub>2</sub> emissions from air conditioner	GJ	118,873.2	22,207.1	22,965.6
		t-CO <sub>2</sub>	6,775.8	1,265.8	1,248.9
Other energy consumption	CO <sub>2</sub> emissions from business trips	t-CO <sub>2</sub>	0.0	3,753.3	3,746.8
	Total water and sewage	Thousand m <sup>3</sup>	65.4	64.6	55.8
		t-CO <sub>2</sub>	29.4	29.1	25.1
Total CO <sub>2</sub> emissions	Direct energy CO <sub>2</sub> emissions	t-CO <sub>2</sub>	3,664.8	3,660.5	3,596.6
	Indirect energy CO <sub>2</sub> emissions	t-CO <sub>2</sub> (emission coefficient)	18,917.6	15,323.2	16,984.1
	Other energy CO <sub>2</sub> emissions	t-CO <sub>2</sub>	29.4	3,782.4	3,771.9
	CO <sub>2</sub> emissions total	t-CO <sub>2</sub> (emission coefficient)	22,611.8	22,766.1	24,352.5

### ■ SMBC Friend Securities (SMBC Friend)

Measurement Item		Unit	Fiscal 2013	Fiscal 2014	Fiscal 2015
Direct energy consumption	City gas	Thousand m <sup>3</sup>	23.0	25.0	26.0
		t-CO <sub>2</sub>	52.7	57.3	59.5
Indirect energy consumption	Electricity	Thousand kWh	4,425.0	4,475.0	4,537.0
		t-CO <sub>2</sub> (emission coefficient)	2,460.3	2,488.1	2,522.6
Other energy consumption	CO <sub>2</sub> emissions from business trips	t-CO <sub>2</sub>	—	779.5	735.3
Total CO <sub>2</sub> emissions	Direct energy CO <sub>2</sub> emissions	t-CO <sub>2</sub>	52.7	57.3	59.5
	Indirect energy CO <sub>2</sub> emissions	t-CO <sub>2</sub> (emission coefficient)	2,460.3	2,488.1	2,522.6
	Other energy CO <sub>2</sub> emissions	t-CO <sub>2</sub>	0.0	779.5	735.3
	CO <sub>2</sub> emissions total	t-CO <sub>2</sub> (emission coefficient)	2,513.0	3,324.9	3,317.4

### ■ Sumitomo Mitsui Card Company (SMCC)

Measurement Item		Unit	Fiscal 2013	Fiscal 2014	Fiscal 2015
Direct energy consumption	City gas	Thousand m <sup>3</sup>	159.1	151.0	157.5
		t-CO <sub>2</sub>	357.0	338.8	353.4
	Gasoline (automobile)	kl	—	43.3	46.5
		t-CO <sub>2</sub>	—	100.4	107.9
Indirect energy consumption	Electricity	Thousand kWh	9,060.5	9,044.8	8,850.6
		t-CO <sub>2</sub> (emission coefficient)	4,708.0	4,762.2	4,609.3
Other energy consumption	CO <sub>2</sub> emissions from business trips	t-CO <sub>2</sub>	—	780.4	830.2
	Total water and sewage	Thousand m <sup>3</sup>	59.1	62.3	60.2
		t-CO <sub>2</sub>	26.6	28.0	27.1
Total CO <sub>2</sub> emissions	Direct energy CO <sub>2</sub> emissions	t-CO <sub>2</sub>	357.0	439.2	461.3
	Indirect energy CO <sub>2</sub> emissions	t-CO <sub>2</sub> (emission coefficient)	4,708.0	4,762.2	4,609.3
	Other energy CO <sub>2</sub> emissions	t-CO <sub>2</sub>	26.6	808.4	857.3
	CO <sub>2</sub> emissions total	t-CO <sub>2</sub> (emission coefficient)	5,091.6	6,009.8	5,927.9

### ■ Cedyne Financial Corporation (Cedyne)

Measurement Item		Unit	Fiscal 2013	Fiscal 2014	Fiscal 2015
Direct energy consumption	Gasoline (automobile)	kl	421.7	398.9	382.7
		t-CO <sub>2</sub>	978.3	925.4	887.9
Indirect energy consumption	Electricity	Thousand kWh	10,026.8	9,312.1	8,310.6
		t-CO <sub>2</sub> (emission coefficient)	5,386.0	5,016.0	4,330.0
Other energy consumption	CO <sub>2</sub> emissions from business trips	t-CO <sub>2</sub>	801.0	864.5	976.8
Total CO <sub>2</sub> emissions	Direct energy CO <sub>2</sub> emissions	t-CO <sub>2</sub>	978.3	925.4	887.9
	Indirect energy CO <sub>2</sub> emissions	t-CO <sub>2</sub>	5,386.0	5,016.0	4,330.0
	Other energy CO <sub>2</sub> emissions	t-CO <sub>2</sub> (emission coefficient)	801.0	864.5	976.8
	CO <sub>2</sub> emissions total	t-CO <sub>2</sub>	7,165.4	6,806.0	6,194.7

### ■ SMBC Consumer Finance (SMBCCF)

Measurement Item		Unit	Fiscal 2013	Fiscal 2014	Fiscal 2015
Direct energy consumption	City gas	Thousand m <sup>3</sup>	0.0	0.0	0.0
		t-CO <sub>2</sub>	0.0	0.0	0.0
Indirect energy consumption	Electricity	Thousand kWh	3,368.9	2,271.2	2,312.2
		t-CO <sub>2</sub> (emission coefficient)	1,286.9	1,206.0	1,167.7
	Steam	GJ	5,489.0	0.0	0.0
		t-CO <sub>2</sub>	285.4	0.0	0.0
	Hot water	GJ	2,126.4	549.6	530.0
		t-CO <sub>2</sub>	110.6	31.3	30.2
	Cold water	GJ	6,085.4	4,806.1	4,209.8
		t-CO <sub>2</sub>	316.4	273.9	240.0
Other energy consumption	CO <sub>2</sub> emissions from business trips	t-CO <sub>2</sub>	—	703.3	694.9
	Total water and sewage	Thousand m <sup>3</sup>	19.5	2.2	2.3
		t-CO <sub>2</sub>	5.9	0.7	0.8
Total CO <sub>2</sub> emissions	Direct energy CO <sub>2</sub> emissions	t-CO <sub>2</sub>	0.0	0.0	0.0
	Indirect energy CO <sub>2</sub> emissions	t-CO <sub>2</sub> (emission coefficient)	1,999.3	1,511.3	1,437.8
	Other energy CO <sub>2</sub> emissions	t-CO <sub>2</sub>	5.9	704.0	695.6
	CO <sub>2</sub> emissions total	t-CO <sub>2</sub> (emission coefficient)	2,005.2	2,215.2	2,133.4

### ■ Japan Research Institute (JRI)

Measurement Item		Unit	Fiscal 2013	Fiscal 2014	Fiscal 2015
Direct energy consumption	City gas	Thousand m <sup>3</sup>	2.0	22.0	28.0
		t-CO <sub>2</sub>	4.5	49.0	63.0
	Heavy fuel oil	kl	220.0	98.0	122.0
		t-CO <sub>2</sub>	596.2	266.0	331.0
	Kerosene	kl	34.0	39.0	43.0
		t-CO <sub>2</sub>	84.7	97.0	107.0
Gasoline (automobile)	kl	21.0	13.4	19.6	
	t-CO <sub>2</sub>	48.7	31.1	45.5	
Indirect energy consumption	Electricity	Thousand kWh	80,732.0	82,617.0	82,279.0
		t-CO <sub>2</sub> (emission coefficient)	42,146.7	43,614.0	42,100.8
Other energy consumption	CO <sub>2</sub> emissions from business trips	t-CO <sub>2</sub>	1,380.0	1,125.3	1,085.8
Total CO <sub>2</sub> emissions	Direct energy CO <sub>2</sub> emissions	t-CO <sub>2</sub>	685.3	443.1	546.5
	Indirect energy CO <sub>2</sub> emissions	t-CO <sub>2</sub> (emission coefficient)	42,146.7	43,614.0	42,100.8
	Other energy CO <sub>2</sub> emissions	t-CO <sub>2</sub>	1,380.0	1,125.3	1,085.8
	CO <sub>2</sub> emissions total	t-CO <sub>2</sub> (emission coefficient)	42,880.7	45,182.4	43,733.1

### ■ THE MINATO BANK (Minato)

Measurement Item		Unit	Fiscal 2013	Fiscal 2014	Fiscal 2015
Direct energy consumption	City gas	Thousand m <sup>3</sup>	25.0	28.0	34.0
		t-CO <sub>2</sub>	55.9	61.9	76.8
Indirect energy consumption	Electricity	Thousand kWh	14,636.0	13,534.0	12,406.0
		t-CO <sub>2</sub> (emission coefficient)	7,523.0	7,064.7	6,587.7
Other energy consumption	CO <sub>2</sub> emissions from business trips	t-CO <sub>2</sub>	—	41.9	39.7
	Total water and sewage	Thousand m <sup>3</sup>	43.6	39.3	33.8
		t-CO <sub>2</sub>	19.6	17.7	15.2
Total CO <sub>2</sub> emissions	Direct energy CO <sub>2</sub> emissions	t-CO <sub>2</sub>	55.9	61.9	76.8
	Indirect energy CO <sub>2</sub> emissions	t-CO <sub>2</sub> (emission coefficient)	7,523.0	7,064.7	6,587.7
	Other energy CO <sub>2</sub> emissions	t-CO <sub>2</sub>	19.6	59.6	54.9
	CO <sub>2</sub> emissions total	t-CO <sub>2</sub> (emission coefficient)	7,598.5	7,186.2	6,719.4

### ■ Kansai Urban Banking Corporation (KUBC)

Measurement Item		Unit	Fiscal 2013	Fiscal 2014	Fiscal 2015
Direct energy consumption	City gas	Thousand m <sup>3</sup>	44.7	33.4	42.5
		t-CO <sub>2</sub>	100.3	75.0	95.5
	Heavy fuel oil	kl	15.9	8.4	3.5
		t-CO <sub>2</sub>	43.1	23.0	9.6
	Kerosene	kl	11.7	0.0	5.6
		t-CO <sub>2</sub>	29.1	0.0	14.1
Indirect energy consumption	Electricity	Thousand kWh	14,586.2	13,789.5	12,786.7
		t-CO <sub>2</sub> (emission coefficient)	8,267.2	6,592.8	6,490.5
Other energy consumption	CO <sub>2</sub> emissions from business trips	t-CO <sub>2</sub>	—	51.6	50.9
Total CO <sub>2</sub> emissions	Direct energy CO <sub>2</sub> emissions	t-CO <sub>2</sub>	172.5	98.0	119.2
	Indirect energy CO <sub>2</sub> emissions	t-CO <sub>2</sub> (emission coefficient)	8,267.2	6,592.8	6,490.5
	Other energy CO <sub>2</sub> emissions	t-CO <sub>2</sub>	0.0	51.6	50.9
	CO <sub>2</sub> emissions total	t-CO <sub>2</sub> (emission coefficient)	8,439.7	6,742.4	6,660.5

## Reducing Environmental Impact at SMFG Group Companies

SMFG group sets annual targets for reducing energy consumption, including electricity, at its Group companies. We are promoting efforts to visualize energy consumption, and to reduce consumption through our own efforts.

For data about SMFG's environmental load, please refer to the following link.

▶ [Reducing Environmental Impact](#)

### ■ Sumitomo Mitsui Banking Corporation (SMBC)

At SMBC, we are working to reduce energy consumption, including electricity. We have also established environment-friendly SMBC model branches and taken various steps such as actively promoting the use of clean energy.

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

▶ [Reducing Environmental Impact](#)

### ■ Sumitomo Mitsui Finance and Leasing (SMFL)

SMFL strives to reduce its environmental impact by promoting efficient use of limited resources, such as reducing usage of electricity and copy paper in its office activities, and pursuing green procurement.

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

☞ [SMFL: Environmental Activities \(Office Activities\) \(Japanese only\)](#)

### ■ SMBC Nikko Securities (SMBC Nikko)

SMBC Nikko is working to reduce its energy consumption, including electricity, arising from business and office activities based on "Environmental Targets" set in June 2014.

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

☞ [SMBC Nikko: Environment Conservation Initiatives](#)

### ■ SMBC Friend Securities (SMBC Friend)

SMBC Friend Securities is taking various initiatives to reduce its environmental impact. It works to reduce consumption of electricity and copy paper, and other consumables, has introduced eco cars for its sales fleet, and uses eco materials for branch renovations and so on.

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

☞ [SMBC Friend: Environmental Preservation Initiatives \(Japanese only\)](#)

### ■ Sumitomo Mitsui Card Company (SMCC)

SMCC is taking steps to reduce its environmental impact, such as participating in the Ministry of the Environment's "Black Illumination" summer solstice light-down campaign.

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

☞ [SMCC: Environmental activities \(Japanese only\)](#)

### ■ Cedyna Financial Corporation (Cedyna)

Cedyna recognizes the importance of realizing a sustainable society. Based on its environmental policy, the company is promoting various measures for reducing environmental impact, such as reducing electricity consumption, thoroughly separating waste and promoting recycling.

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

☞ [Cedyna: For the Global Environment \(Environment\) Initiatives for Reducing Environmental Impact \(Japanese only\)](#)

### ■ SMBC Consumer Finance (SMBCCF)

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SMBCCF encourages employees to act with a high level of environmental awareness and consideration as a member of SMFG. The company aims to contribute to the preservation of the global environment.

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

[☞ SMBCCF: Promoting Earth-friendly Environmental Activities](#)

### ■ Japan Research Institute (JRI)

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Sumitomo Mitsui Financial Group, Sumitomo Mitsui Banking Corporation and The Japan Research Institute have installed solar power generation equipment on the rooftops of their main computer center, a project that began in the summer of 2012, and have also conducted energy conservation measures as a part of their environmental initiatives. Storage batteries have also been installed for power supply stability at times of peak power consumption during the day regardless of the weather.

For further details, please refer to the following link.

[☞ JRI: News Releases \(Installation of solar power generation equipment at the Sumitomo Mitsui Financial Group computer center\)](#)

### ■ THE MINATO BANK (Minato)

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Minato Bank is working to reduce its environmental impact by converting to environmentally considerate branches, taking proactive measures to reduce electricity consumption, and increasing employee awareness of the environment.

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

[☞ Minato: "Social and environmental activities and programs" \(Environmental Preservation Initiatives\) \(Japanese only\)](#)

### ■ Kansai Urban Banking Corporation (KUBC)

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KUBC strives to create a sustainable society and to prevent pollution through environmentally considerate activities such as resource and energy conservation, and reduction of waste emissions.

#### ● Participation in "Kansai Ecology Office Movement"

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.

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

[☞ KUBC: "Social and environmental activities and programs" \(Environmental Initiatives\) \(Japanese only\)](#)

## Managing Environmental Risks

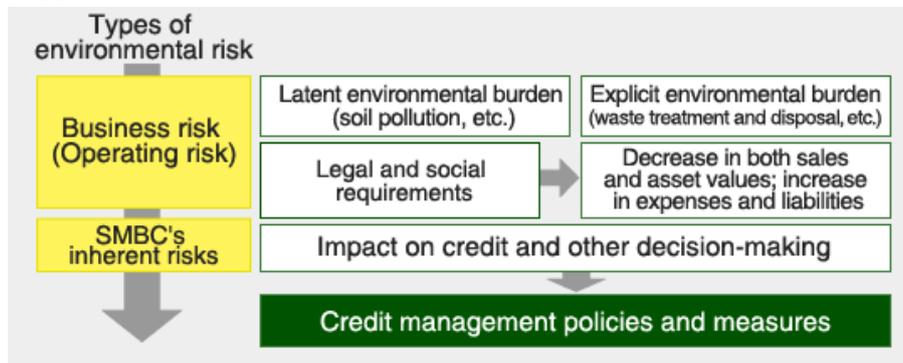
### Managing Environmental Risks (SMFG Group)

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 (EAD) 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. 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)

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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.

▶ [Initiatives on the Equator Principles](#)

### ■ Environmental Considerations in Leasing (SMFL)

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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 \(Compliance with Environment-Related Laws and Regulations\) \(Japanese only\)](#)

## Promoting Environmental Businesses

The SMFG Group positions environmental businesses as a means to preserve and improve the global environment through its core business operations. In addition to activities conducted by Group companies, the overall Group also distributes information related to the environment on a continuing basis, such as publishing environmental reports and holding environment business-related events coordinated with individual companies.

Information on the environmental business activities of Group companies is provided in table form along with links to each company.

- ▶ Promotion of Environmental Business at SMFG Group Companies
- ▶ List of Environmental Businesses at SMFG Group Companies

### Exhibit at Environmental Trade Fair (SMFG Group)

The SMFG Group exhibits at the “EcoPro” International Exhibition on Environment and Energy, which is held every year in December and is one of Japan’s largest environment-themed trade fairs. At the Group’s booth in fiscal 2015, 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 2015 Activities Report \(Exhibiting at 2015 EcoPro\) \(Japanese only\)](#)

### 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

### Overseas Seminars, Exhibitions and Other Environmental Communications (SMBC)

#### Environmental Seminar Held for the China Banking Regulatory Commission

SMBC held an environmental finance seminar for the China Banking Regulatory Commission (CBRC; equivalent to Japan’s Financial Services Agency) in collaboration with Japan Research Institute, Limited. The seminar introduced the SMFG Group’s most recent environmental finance initiatives in order to help the development of environmental finance in China.

### ● Other Major Seminars and Exhibitions

<b>January 2012</b>	Emirate of Abu Dhabi	<p>Exhibit at the World Future Energy Summit 2012</p> <p>The World Future Energy Summit 2012 was held over four days from January 16-19, 2012 in the Emirate of Abu Dhabi, one of the United Arab Emirates.</p> <p>The Emirate of Abu Dhabi is actively involved in energy and environmental issues, promoting an economic development program, for example, that aims to build a sustainable society using renewable energy technologies. The event attracted 26,000 participants from over 100 countries. SMBC was the only major financial institution to exhibit at the event and gave a presentation on environment-related business. The bank received many questions from participants on related business activities.</p>
<b>March 2013</b>	Singapore	<p>Exhibition at Eco Products International Fair</p> <p>The Eco Products International Fair is an international environmental exhibition held in order to vitalize eco-businesses in Asian regions and increase international competition by greening of supply-chains. It is held in from time to time in countries throughout Asia. SMBC has exhibited at the fair since fiscal 2008.</p>
<b>March 2014</b>	Taipei	
<b>June 2016</b>	Bangkok	

### ■ Initiatives on Environmental Finance (SMBC)

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.

In 2007, SMBC began offering the SMBC-ECO Loan to small and medium-sized companies certified for environmental management, and the following year, in 2008, Japan Research Institute, Limited began assessing the environmental initiatives of customers using standards developed independently by SMBC. This led to the development of SMBC Environmental Assessment Loans and Private Placement Bonds that set loan terms based on ratings assigned via the assessment. Utilizing this same mechanism, the bank has continued to enhanced its various assessment-linked financing products to help customers promote initiatives that address social issues. In March 2014, assessment-linked loans cumulatively broke the ¥1-trillion mark and as of March 2016 totaled approximately ¥1.6 trillion.

This loan program is also being expanded overseas. SMBC began offering the “Malaysia Version” of its SMBC Environmental Assessment Loans and Private Placement Bonds in December 2012 to support the environmental activities of companies in Malaysia, and the “Thailand Version” in November 2013 to help companies in Thailand. In China, the government has made environmental protection one of its important priorities, and there has been increased attention given to the environment both by the government and among the general public. SMBC’s China affiliate began offering the “China Version” of SMBC Environmental Assessment Loans, which combine financing with an assessment of the customer’s environmental management practices. Through these products, the bank is working to support companies that recognize environmental activities as an important management priority.

From here onward, we will continue to support the further expansion of our customers’ activities on a global scale through the development of similar solutions.

### ● Various Assessment-Type Loans

2007	<a href="#">☞ “SMBC-ECO Loan” (Japanese only)</a>	Unsecured loan with preferential interest rates and no guarantee requirements for SMEs that have obtained environmental certification
2008	<a href="#">☞ “SMBC Environmental Assessment Loans and Private Placement Bonds” (Japanese only)</a>	which assesses and supports the measures taken by clients for environment
2010	<a href="#">☞ “SMBC Environmental Assessment Loans and Private Placement Bonds, eco Value-Up” (Japanese only)</a>	
2011	<a href="#">☞ “SMBC Food and Agriculture Assessment Loans and Private Placement Bonds” (Japanese only)</a>	which assesses and supports the measures taken by clients for safety and security of food, and agriculture
	<a href="#">☞ “SMBC Sustainable Building Assessment Loans and Private Placement Bonds” (Japanese only)</a>	which assesses and supports environment friendliness and measures taken for risk management for the building owned or to be constructed by clients
	<a href="#">☞ “SMBC Business Sustainability Assessment Loans and Private Placement Bonds” (Japanese only)</a>	which assesses the measures taken by clients for business sustainability in the event of emergencies such as earthquakes, floods, etc.
2013	<a href="#">☞ “SMBC Sustainability Assessment Loans and Private Placement Bonds” (Japanese only)</a>	which assesses and supports the measures taken for Environment, Society, and Governance (ESG) and appropriateness of information disclosure
	Ministry of the Environment and Ministry of Economy, Trade and Industry subsidized-interest financing program	Program that provides interest subsidies under certain conditions on financing for capital investment in CO <sub>2</sub> reduction and energy efficiency
2013	<a href="#">☞ “SMBC Nadeshiko Loan and Private Placement Bonds” (Japanese only)</a>	which assess and support initiatives for women's advancement

## ■ 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 CO<sub>2</sub> 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.

The Minamata Convention on Mercury was adopted in October 2013 (and will go into effect 90 days after the 50th country adopts the convention), and mercury use is expected to be banned in the caustic soda and chlorine manufacturing process in 2025. As a result, caustic soda and chlorine manufacturing facilities around the world are switching from mercury to ion exchange membranes, which is expected to reduce mercury usage.

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.

## ● Environmental Campaign Program for Japanese Government Bonds for Individuals

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 m<sup>2</sup> 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 \(Japanese only\)](#)

## ■ 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

SMBC partnered with a number of Japanese companies to research the wastewater business in Vietnam's Da Nang Industrial Zone as a fiscal 2011 Ministry of the Environment model business for environmental improvement in Asia. In Vietnam, which has drawn attention as a "China Plus One" country, improving the water environment has become an issue as the country has industrialized. Going forward, the bank will continue to help improve the water environment through further research and other related initiatives.

## ■ 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. It actively engages in renewable energy projects making maximum use of its accumulated know-how.

 [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)

### ● 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 a large number of power generation projects using renewable energies.

Renewable energies do not generate CO<sub>2</sub> in principle, so power generation through renewable energies is regarded as reducing the CO<sub>2</sub> that would have been emitted if the same power had been produced with conventional fossil fuels. By supporting such projects, the bank is able to help reduce CO<sub>2</sub> and generate environmental impact reduction benefits.

The table below shows annual CO<sub>2</sub> reductions from overseas renewable energy projects included among project finance conducted in fiscal 2015. The CO<sub>2</sub> reductions are derived by calculating the annual estimated power generated based on the type of renewable energy and the facility's generating capacity, utilization rate, and so forth for facilities in each country and multiplying that value by a power emissions factor for each country. Calculations do not take into account the proportion of the project's total costs financed by SMBC (finance share).

Type	By Country	Facility's generating capacity*1 (MW)	Annual estimated power generated*2 (MWh)	Annual CO <sub>2</sub> reduction*3 (t-CO <sub>2</sub> )
Wind power generation	Canada	798	1,677,715	265,079
	Chile	185	388,524	187,268
	Mexico	130	273,312	138,296
	United States	754	1,628,834	796,500
	United Kingdom	336	1,206,778	553,911
	Australia	240	504,576	402,652
	Netherlands	129	463,316	209,419
	Germany	734	2,636,234	1,281,210
	Belgium	165	592,614	117,930
Solar power generation	Chile	104	127,546	61,477
	United States	1,177	1,443,105	705,678
Solar / wind power generation	Canada	218	458,323	72,415
Biomass power generation	Brazil	255	1,186,148	158,944
<b>Totals</b>		5,224	12,587,025	4,950,779

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

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

\*3 CO<sub>2</sub> reduction = Annual estimated power generated × Power emissions factor

\*4 Calculations do not take into account finance share.

\*5 Source: Facility utilization rates for wind power generation use figures from the European Wind Energy Association for onshore and offshore facilities. For solar power generation, facility utilization rates use mega solar figures from the "Chairman's Proposal on Fiscal 2016 Procurement Prices and Procurement Periods" from the Ministry of Economy, Trade and Industry's Procurement Price Calculation Committee. For biomass power generation, rates use average figures for South America from REN21's "Renewables Global Status Report." Emissions factors use figures from the IEA's "CO<sub>2</sub> Emissions from Fuel Combustion 2015 Edition."

### ■ 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](#)

### ■ 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.

Provision Period	Country	Content
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.
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.

### ■ Reducing Environmental Impact through Web Account Statement Service (Sumitomo Mitsui Card)

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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.

As a part of this, a campaign was carried out in November and December 2015 for reducing environmental impact, with the company providing a matching gift of one planted tree for every 50 registered changes to the “Card Usage Web Account Statement Service.” Approximately 26,500 customers cooperated in the campaign and a total of 529 saplings were planted in Osaki City, Miyagi Prefecture through the NPO-administered “Present Tree” tree-planting project.

## 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 2015, the bank supported 29 high quality project finance deals in fields such as new energy (15 wind energy, 12 solar energy, 1 waste-to-energy, 1 Submarine power cable. By region: 6 projects in Europe, 22 in the Americas, and 1 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.

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
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

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

## ■ 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.

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
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

For further details on project finance, please refer to the following website (in English).

[SMBC: Project Finance](#)

### ■ 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.

Finance Contract Period	Country	Project Name	Type of Project	Installed Capacity (MW)
May 2013	Australia	Waterloo Windpower Project	Wind Energy	111
June 2013	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
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 (fiscal 2013: 1 project in Africa, 2 projects in Asia). In addition, the bank utilized the overseas business funds lending insurance of Incorporated Administrative Agency, Nippon Export and Investment Insurance (NEXI) to provide development funds for a hydropower generation project being conducted by a Vietnamese company.

## Promotion of Environmental Business at SMFG Group Companies

### ■ Sumitomo Mitsui Banking Corporation (SMBC)

SMBC develops environmental businesses through its various products and services, including loans, investment trusts, and project finance. It also actively works to provide environmental information and support the development of environmental businesses through such activities as environmental business matching.

### ■ Sumitomo Mitsui Finance and Leasing (SMFL)

SMFL develops environmental businesses through leasing of environmentally conscious facilities and devices and reuse and recycling of property whose leases have expired.

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

[☞ SMFL: Environmental Activities \(Japanese only\)](#)

### ■ SMBC Nikko Securities (SMBC Nikko)

SMBC Nikko Securities has been actively involved from an early stage in socially responsible investment (SRI), in which investment decisions are made upon considering the impact of the company's initiatives and business activities on society and the environment. The company offers environment-related investment trusts, including the SRI fund "Nikko Eco Fund," which in 1999 became the first investment trust in Japan to incorporate an environmental perspective, as well as the social contribution bonds "Green Bond" and "Agri Bond."

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

[☞ SMBC Nikko: Environment Conservation Initiatives](#)

### ■ SMBC Friend Securities (SMBC Friend)

SMBC Friend Securities provides investors opportunities to support businesses that help solve environmental problems through sales of Environmental Sustainability Bonds, a product it has offered since 2010.

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

[☞ SMBC Friend: Social contribution through investment \(Japanese only\)](#)

### ■ Sumitomo Mitsui Card Company (SMCC)

SMCC conducts environmental activities through its credit card business, providing, for example, an online statement service for credit card charges.

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

[☞ SMCC: Environmental activities \(Japanese only\)](#)

### ■ Cedyne Financial Corporation (Cedyne)

Cedyne 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 Cedyne to organizations involved in global environmental protection at absolutely no charge to card members. The card has been issued since 1991, and in fiscal 2015 approximately ¥19.0 million was donated, bringing the cumulative total to approximately ¥699.0 million.

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

[☞ Cedyne: For the Global Environment \(Environment\) \(Japanese only\)](#)

## ■ Japan Research Institute (JRI)

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The energy situation in Japan is undergoing a major transformation sparked by the Great East Japan Earthquake. JRI will continue to make regular policy recommendations for energy policies.

### Policy Recommendations

 [Proposed global distribution of renewable energies for energy conversion in 2050 \(Japanese only\)](#) (1.22MB)

 [Regional energy projects through regional revitalization and energy liberalization- suggestions from Stadtwerke of Germany and effects on regional economies \(Japanese only\)](#) (1.87MB)

## ■ THE MINATO BANK (Minato)

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Minato Bank offers environmental financial products for corporate and individual customers that enable the bank to contribute to the prevention of global warming together with its customers.

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

 [Minato: "Social and environmental activities and programs" \(Environmental Preservation Initiatives\) \(Japanese only\)](#)

## ■ Kansai Urban Banking Corporation (KUBC)

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KUBC conducts environmental protection activities through its financial products, which include savings and loan products, in response to the various needs of its customers.

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

 [KUBC: "Social and environmental activities and programs" \(Environmental Initiatives\) \(Japanese only\)](#)

## List of Environmental Businesses at SMFG Group Companies

In this section, we list the environmental businesses operated by SMFG and its Group companies and highlight some of the environmental products and services they provide. For details of each group company's activity, please see the link below.

▶ Promotion of Environmental Business at SMFG Group Companies

Company	Program / Product	Description
SMFG	SAFE, corporate environmental magazine	Started in 1996, this magazine contains interviews with top management of environmentally advanced companies, analyses of business and regulatory trends, and other beneficial information for corporate environmental activities. Presently, more than 100 issues of the magazine have been published. It can be viewed online at SMFG's website (in Japanese).
	SMFG Environmental Business Forum	SMFG organized a three-day event at Eco-Products, one of Japan's largest environmental exhibitions. 15 of our clients' companies set up booths with "Environment," "Water, Resources, New Energies" as themes, and each client presented or demonstrated respective environmental initiatives.
SMBC *1 JRI *2	SMBC Environmental Assessment Loan/ Private Placement Bond	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.
	SMBC Environmental Assessment Loan/ Private Placement Bond Eco Value-up	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 the fund raising, SMBC conducts quantitative assessment according to the assessment criteria created by SMBC and follows with the 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."

Company	Program / Product	Description
SMBC *1 JRI *2	<b>SMBC Sustainable Building Assessment Loan/Private Placement Bond</b>	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 Woonelf (formerly 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 as BCP; and “business manager’s policies and practices” promoting such assessment criteria.
	<b>SMBC Sustainability Assessment Loan/ Private Placement Bond</b>	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.
	<b>SMBC Environmental Assessment Loans/Private Placement Bonds (Malaysia and Thailand)</b>	Terms and conditions for those loans are set forth according to the assessment conducted on the environmental measures taken by companies in Malaysia and Thailand utilizing the scheme as set forth in the “SMBC Environmental Assessment Loans/Private Placement Bonds” since 2008. The assessment report is also provided to further enhance the company’s eco-management related activities.
SMBC	<b>SMBC-ECO Loan</b>	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.
	<b>Ministry of the Environment and Ministry of Economy, Trade and Industry subsidized-interest financing program</b>	Under this program, companies may conditionally receive loans from financial institutions, with interest subsidized by the government, to finance capital investment which reduces CO <sub>2</sub> emissions. SMBC supports companies taking environmental initiatives as one of the financial institutions authorized to provide loans under this program.

Company	Program / Product	Description
SMBC	<b>Emissions trading related business (advisory services)</b>	In the field of energy conservation, in which Japanese corporations especially excel, SMBC provides support and financial advisory services for "Joint Crediting Mechanism," for the purpose of contributing to the reduction of greenhouse gasses due to technology exportation to underdeveloped countries. In Brazil, SMBC has a consultancy subsidiary supporting the Clean Development Mechanism project. SMBC's Brazilian subsidiary has invested in the sustainability fund managed by the Brazilian Development Bank (Banco Nacional de Desenvolvimento Economico e Social), and it also serves as the environment adviser for the said fund. It also provides consultation services for the environmental innovation fund which was set up mainly by the Brazilian Development Bank and other banks.
	<b>Strengthening alliances with international and financial institutions</b>	In March 2012, SMBC executed a Memorandum of Understanding with Development Bank of Mongolia for financial cooperation for environment and infrastructure projects which reduce greenhouse gas emissions. SMBC continues to develop the solid global network by MOUs similarly executed with local major corporations and financial institutions in Mexico and other countries for promoting financing for renewable energy projects and carbon credits trading businesses.
	<b>Environmental campaign program for JGBs for individuals</b>	We have contributed to global environmental protection by: (1) trading the amount equivalent to 100kg of carbon credits; or (2) forestation in the area equivalent to 1m <sup>2</sup> per each individual who purchased JGBs. Concurrently, we also have initiatives for supporting the recovery and reconstruction of areas affected by the Great East Japan Earthquake by obtaining the partial domestic credits generated from northeastern Japan.
	<b>DWS New Resource Technology Fund</b>	This fund invests mainly in shares of companies around the world with growth potential which conduct businesses associated with three most discussed issues of (1) local infrastructure; (2) food; and (3) clean energy, in order to accommodate the fluctuating and/or increasing global demand.

Company	Program / Product	Description
SMBC	Promoting Environmental Assessment Housing Loan	SMBC offers reductions of interest rates for environment-friendly loans especially made for clients who plan to purchase environment-friendly housings.
SMBC Nikko <sup>*3</sup>	SMBC Nikko World Bank Bond Fund	SMBC and SMBC Nikko Securities Inc. offer the Nikko World Bank Bond Fund which is the first fund in the world to invest in green bonds* issued by the World Bank (data provided by Nikko Asset Management Co., Ltd.). 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. *This fund invests in green bond which is one of the bonds issued by the World Bank
SMFL <sup>*4</sup>	Consultation Business for the Amended Energy Saving Act	It strengthens its advisory services by appropriately accommodating the Amended Energy Saving Act for proposing comprehensive energy saving measures by utilizing leases.
	Purchase and Sale of Second-Hand Machinery and Equipment	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 which is environment-friendly implementing measures for recycling and reuse by purchasing and selling the second-hand machinery.
	Support Program conducted by the Ministry of the Environment	It 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.
Nikko	Nikko Eco Fund	This is the SRI fund, which was first offered in Japan in 1999, takes into account the 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 environment.

Company	Program / Product	Description
Nikko	Nikko DWS New Resources Fund	This fund invests mainly in shares of companies around the world with growth potential which conduct businesses associated with the three most discussed issues of (1) water; (2) agriculture; and (3) alternate energy, in order to accommodate the fluctuating and/or increasing global demand.
	UBS Climate Change Fund	This fund invests in shares of countries around the world which have innovative technology with respect to preventive measures for global warming and which are anticipated to have substantial growth in the future.
	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.
Nikko Friend <sup>*5</sup>	Promotion of electronic statement service	Promoting electronic statement services (online account statements) for clients.
Friend	Environmental Sustainability Bonds	SMBC Friend Securities sells "Environmental Sustainability Bonds" issued by the European Bank for Reconstruction and Development (EBRD). The funds raised by such bonds are used to support natural energy development, forestry regeneration and other environmental projects selected by EBRD based on its evaluation standards.
	Promotion activities using iPad	SMBC Friend security contribute to reduction of paper and CO <sub>2</sub> by providing iPad to all sales personnel.
SMCC <sup>*6</sup> Cedyna	Promotion of online account activity statement	SMCC and Cedyna are promoting the use of online account statements (notice for the final account statement is sent by e-mail and details to be confirmed on its website) for conserving paper and helping to reduce CO <sub>2</sub> emissions.
Cedyna	Environment conservation activities offered by socially contributing credit cards	Cedyna issues socially contributing credit cards for the environment such as "Chikyuni Yasashii Card" and "Cedyna Card AXU," and the part of payments for such cards are donated to environmental preservation organizations.

Company	Program / Product	Description
<b>SMBCCF</b> *7	<b>Promotion of online account statement</b>	It strives to reduce the consumption of paper resources and CO <sub>2</sub> emissions, in addition to increasing convenience for clients by electronically converting documents. The ratio of contracts made on the internet out of new applications submitted has increased yearly.
<b>JRI</b>	<b>Promotion of CSR and environmental management</b>	JRI supports companies in their CSR and environmental management by assisting them with the development of CSR management strategies and conducting carbon-credit research and investigation.
	<b>Environmental advisory business</b>	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.
	<b>Proposals for energy-related policies</b>	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.
<b>Minato</b> *8	<b>Minato ECO Loan/Private Placement Bond</b>	In certain cases, Minato Bank offers preferential interest rates for loans or preferential underwriting fees for private placement bonds only for corporations which have obtained certification for an environmental management system.
	<b>Minato ECO product purchase loan/ Minato ECO housing loan</b>	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, ENE-FARM, etc). It additionally offers housing loans with discounted interest rates to clients who plan to purchase a home installed with such equipment or renovate the home with such equipment; or for those clients who plan to purchase newly-constructed home which met the certain criteria set forth by Kobe city for residential environment-friendliness.

Company	Program / Product	Description
<b>Minato</b> *8	<b>Minato Private Placement Bond</b>	Minato Bank offers preferential underwriting fees for private placement bonds only for corporations which have obtained certification for an environmental management system, such as "Kobe Environment Management System (KEMS)", "Eco-action21" or "ISO14001".
<b>KUBC</b> *9	<b>Eco-time deposit</b>	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.
	<b>Housing loans for smart homes</b>	It is the loan to offer the same terms and conditions for such as loan term and interest rate for loans to purchase residences preinstalled with solar power generation systems or for installation costs of such systems.
	<b>Environmental Assessment Loan/Private Placement Bond</b>	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. The financing method may be selected from either loan or private placement bond.
	<b>Kansai Urban Environment Support Loan</b>	The predetermined, preferential interest rate for the loan is given to clients who met certain requirements for environment (receipt of certification for ISO14001 or Eco Action 21, etc.).

\*1 Sumitomo Mitsui Banking Corporation \*2 The Japan Research Institute, Limited \*3 SMBC Nikko Securities Inc. \*4 Sumitomo Mitsui Finance and Leasing Company, Limited \*5 SMBC Friend Securities Co., Ltd. \*6 Sumitomo Mitsui Card Company, Limited \*7 SMBC Consumer Finance Co., Ltd. \*8 The MINATO BANK, LTD. \*9 Kansai Urban Banking Corporation

## Environment-Related Social Contribution Activities

### ■ Participation in Environmental Preservation Initiatives (SMFG Group)

Sumitomo Mitsui Financial Group recruits volunteers from Group companies for SMFG Cleanup Day, a cleanup event conducted every year through the efforts of all of SMFG. Approximately 1,350 officers and employees and family members volunteered to clean up four locations of Tamagawa in Tokyo, Yodogawa in Osaka, Suma Beach in Hyogo and Fujimae-Higata near Nagoya.

In addition, Cedyna SMFL, and SMBC Consumer Finance continuously conduct clean-up activities in the vicinity of their offices.

### ● Planning and conducting local cleanup activities (SMBC Beijing Branch)

The SMBC Beijing Branch conducts activities that help protect the local environment. Branch employees planned a local cleanup event on November 14, 2015, and 13 employees and their families conducted cleanup activities at a nearby park and other locations. They received words of appreciation from local residents for their efforts.



A local cleanup event

### ■ Protecting Biodiversity through Social Contributions (SMBC)

#### ● Support for "Connect, Support, Forest/Sato/River/Ocean Project"

On September 9, 2015, SMBC expressed its support for the objectives of the Ministry of the Environment's "Connect, Support, Forest/Sato/River/Ocean Project." The project focuses on the forests, sato ("towns"), rivers and oceans that have long supported our lives, and seeks to address the breakdown of connections with them and degradation of their quality due to excessive development and use or insufficient management and other factors. As the overall population ages and declines, the project seeks to spur thinking between the public and private sectors on how to manage forests, towns, rivers and oceans and how to create local communities through this and thereby identify a direction for future policy.

#### ● Tree-planting activities (Shanghai and Hangzhou Branches)

Employees from the Shanghai and Hangzhou Branches volunteered with their families to conduct tree-planting activities to promote greening in the local community. Ten trees were planted in Shanghai and seven in Hangzhou, contributing to local greening initiatives.



Shanghai Branch



Hangzhou Branch

## ■ Environmental Communication (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 11 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. This long-running contest has been held 21 times, and this was the seventh consecutive year that SMFL has helped sponsor it.

The theme chosen by SMFL was “Bridges Connecting People, Living Organisms, and Nature,” reflecting 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 2015 to one of the 642 entries received. The award-winning photo shows the joy of people from the same small community spending time together on a bridge over a river, evoking the importance of relationships between people and between people and the rich natural environment.



SMFL Award  
Title: “While Listening to  
the Sound of  
a Mountain Stream”  
Photographer:  
Etsuko Takemura

## 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.

In the financial services field, we are being called upon to promote capacity building 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 next generation asset inheritance and business succession
- Contributing to emerging countries as a financial institution
- Enhance financial literacy

#### ● 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 2015 Activities Summary and Issues

In fiscal 2015, we conducted initiatives to develop the next generation, such as promoting financial and career education based on the business formats of Group companies. In particular, as a new initiative to support the reconstruction of Tohoku, we held the Iwaki Global Academy, where we invited junior high school students from Iwaki City, Fukushima Prefecture, to think about their career visions through interaction with SMFG Group employees. We also published JUNIOR SAFE, an environmental information magazine for children themed on "how to use money to change the future," aiming to encourage the next generation to consider the environment in their actions. The magazine was distributed in our branches. Overseas, we collaborated with a foundation in Indonesia to initiate support for vocational schools in the maritime, nursing, and animation sectors, while in Myanmar we started a teacher development program in collaboration with UNICEF.

In fiscal 2016, we will expand the target for our financial and economic educational activities to include high school students as well as elementary and junior high school students. We will also continue our efforts to develop human resources, mainly in Asia, aiming to address local issues.

● **Main Indicator**

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



## Support for Next Generation Asset Inheritance and Business Succession

### 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.

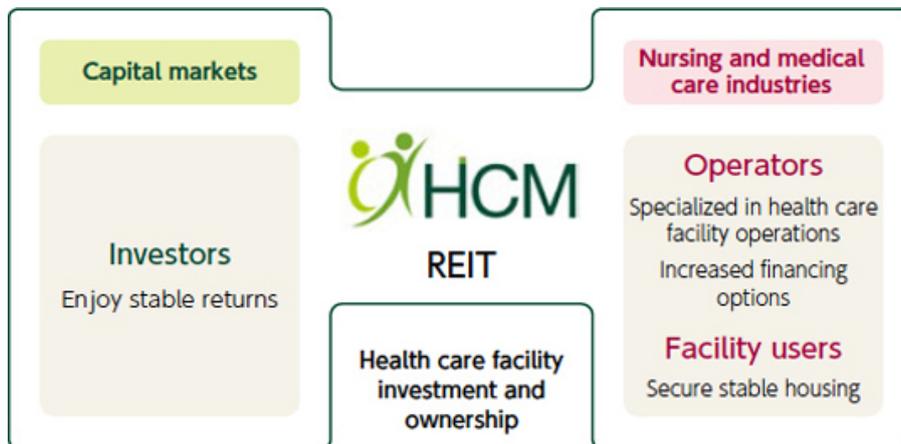
This initiative is the first of its kind by a city bank to promote the supply of facilities and housing for seniors and medical-related and other healthcare facilities, which is an urgent priority in Japan with its rapidly aging population.

#### ● 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.

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## Nursing and Medical Care



- Specialization and networks in nursing and medical care industry
- Extensive experience operating healthcare facilities: 66 facilities nationwide; 4,254 employees (as of September 30, 2014)
- Broad business development based on partnerships with medical institutions
- Dispatch of personnel with expert knowledge of nursing and medical care industry

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## Fund Management

### NEC NEC Capital Solutions Limited

- 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

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## Financial



- Top-class domestic track record of financing for J-REITs
- J-REIT credit balance of approx. ¥789.2 billion (as of September 30, 2014)
- 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

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### ■ 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.

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

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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)

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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.

## Contributing to Emerging Countries as a Financial Institution

### ■ 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 donated training equipment, including marine simulators and ship engines to a maritime vocational school, and a nursing simulator to a nursing vocational school. In addition, employees of SMBC also donated used books to a Japanese language school and used comic books and other items to an animation school. Going forward, we intend to carry out CSR activities in Indonesia, 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. The Yangon Branch was the first to receive approval since it became possible for foreign banks to open branches in Myanmar. SMBC also became the first foreign bank to upgrade its representative office in Myanmar to a sub-branch in 2012. The sub-branch had been providing information and conducting sales activities in the country, but with the opening of the Yangon Branch, the bank is now be able to conduct banking operations, including deposit accounts, loans, and currency exchange.

In addition, 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. 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.

The memorandum of understanding was concluded by SMBC with UNICEF Japan and the project involves three years of support through UNICEF Japan for the teacher training project being conducted by the organization's Myanmar office in targeted regions with the agreement of the Myanmar government. It is the first such initiative with a Japanese company.

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.



Event with participation from officers and employees

### ■ 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.



### ■ Support for Flood-Affected Regions (SMBC Yangon Branch)

The SMBC Yangon Branch donated the equivalent of US\$10,000 in household supplies and commodities as relief provisions to evacuees in Myanmar's central-northern region (Kalay, Sagaing Division), which sustained significant damage in recent flooding. The branch received help in delivering the provisions from SMBC's alliance partner Kanbawza Bank. Along with the supplies, relief funds of US\$10,000 were also donated to Myanmar's Ministry of Social Welfare, Relief and Resettlement. The Yangon Branch opened in April 2015 and intends to contribute to the country's further development by enhancing domestic banking services and providing various support activities.



### ■ Support for Universities through a Scholarship Program (SMBC (China) Ltd.)

Sumitomo Mitsui Banking Corporation (China) Limited provided scholarships in 2015 for 56 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.



## Enhance Financial Literacy

### Financial and Economic Education (SMBC)

#### For Elementary School Students

##### Natsuyasumi Kodomo Ginko Tankentai

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 2015, the program was conducted at three sites, in Tokyo, Nagoya, and Osaka, and a total of 112 students in 49 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 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 2015, a total of 111 people in 45 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.

##### Bank Tours and Vocational Workshops at Branches

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.

##### Publication of “What Does a Bank Do?”

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.

##### Support for KidZania Tokyo and KidZania Koshien

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 \(Japanese only\)](#)

### Charity Activities and Educational Activities to Raise the Level of Financial Literacy for Local Elementary Schools

In June 2015, the SMBC Shenyang Branch conducted charity activities for local elementary schools for a third consecutive year following 2013 and 2014. The branch donated supplies and conducted educational activities to share financial knowledge with children and raise their safety awareness.



### ● For Junior High School and High School Students

#### Cooperation with Company Tours and Visiting Instructors

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

#### Support for Shinagawa Financial Park

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

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.

### ● For College Students

#### Internships for College Students

SMBC has provided internships since 2006 to offer students the opportunity to think through their own career options. In fiscal 2015, 120 students from 71 universities participated (80 from 32 universities during spring break, and 40 from 39 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.

### Visiting Instructors

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 2015, we presented lectures to approximately 6,000 students at 57 universities.

### ■ Working toward the Formation of a Sound Consumer Finance Market (SMBC Consumer Finance)

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 ensure the sound formation of consumer finance markets by providing students, the bearers of the future, and local residents accurate knowledge on money to enable them to make appropriate decisions. The seminars are taught primarily by employees at 18 nationwide Customer Service Plazas.

As the seminars are designed to meet the needs of local communities and educational institutions, they are requested by many organizations every year. In fiscal 2015, 2,535 seminars were held and a total of 150,829 people participated. Since their start in 2011, the seminars have been held a cumulative total of 10,817 times over five years and over 510,000 people have participated.



Seminar by Customer Service Plaza

## 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. Another urgent priority is the creation of a society where elderly people and people with disabilities can live in safety and security.

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.

- Contribute to achieving and developing safe and secure communities
- Community-based activities led by officers and employees
- Solve social issues by collaborating with NGOs and NPOs

#### ● 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.

#### ● Overview of Fiscal 2015 Activities and Issues

In fiscal 2015, 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 SMFG Group company employees. Since 2011, we have been engaged in efforts to assist the recovery of the Tohoku area from the Great East Japan Earthquake. In 2015, our efforts included assisting with the recovery stage, such as community building with recovery housing, and publicizing the efforts, including through performance of a play about recovery assistance, *My time at Ishinomaki*, at the SMBC East Tower. In our efforts to support the elderly and people with disabilities, the SMFG Group has trained approximately 9,100 staff as supporters for clients suffering from cognitive impairment as of March 31, 2016.

Furthermore, SMBC has started universal manners training and displaying pictograms to explain its efforts to implement to introduce universal design at its branches.

In fiscal 2016, we plan to add to these activities by starting support for areas affected by the Kumamoto Earthquakes in Japan. We will also promote initiatives to address global social issues such as refugees and human rights.

#### ● 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.

## Support Reconstruction for the Great East Japan Earthquake

### ■ Support Fund for Great East Japan Earthquake (SMBC, SMBC Friend Securities)

SMBC established the system utilized for the "Great East Japan Earthquake Support Fund" for making donations to the disaster affected areas by deducting ¥400 from employee's monthly salaries. Since May 2011, SMBC has been regularly conducting volunteer activities participated by executives and employees of Group companies to support disaster affected areas mainly in Ishinomaki, Watari-cho, and Higashi-Matsushima in Miyagi Prefecture. As of March 2016, over 700 officers and employees, along with their family members, had participated. In addition, social meetings to interact with the people evacuated to Tokyo from disaster affected areas have been regularly held, with participation by members of SMBC's volunteering society, YUI. 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.

### ■ Supporting the Reconstruction of Areas Affected by the Great East Japan Earthquake through Our Core Business (SMBC)

SMBC has been working through its core business to support the reconstruction of the areas affected by the Great East Japan Earthquake by providing housing loans with special interest rates for individual customers and special funds for corporate customers. After the disaster, the Tohoku Corporate Banking Division Sendai Branch, which deals with corporate transaction in the Tohoku region, and the Public & Financial Institutions Banking Dept., which handles transactions with local governments, headed these initiatives by exchanging information through close communication across the bank's internal divisions.

We have sponsored the Tour de Tohoku event every year since November 2013. Tour de Tohoku is a cycling 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.

We will continue to support projects for reconstructing and revitalizing disaster-affected areas.

## Contribute to Achieving and Developing Safe and Secure Communities

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

SMFG is promoting the creation of branches that the elderly and people with disabilities can visit with confidence. We have approximately 1,800 care service assistants, and in fiscal 2014 we began full-scale training of cognitive impairment supporters to prepare for the aging of society. As of March 31, 2016, there are approximately 9,100 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

### ■ Implementation of Universal Design and Universal Service at branches (SMBC)

SMBC is working to make its branches consistent with universal design principles. In the 1990's, we began developing ATMs with handset-based audio guidance for people with visual impairments and in 2006 we established a barrier-free model branch in Chigasaki, Kanagawa Prefecture. In March 2013, we finished replacing the ATMs at branches and all ATMs outside of branches in Japan with ATMs equipped to be used by people with visual impairments. The reception number display devices (EQ displays) installed at teller counters, which customers had indicated as being difficult to read, 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 243 branches as of March 31, 2016.)

Branch facilities are also being upgraded making reference to customer requests in order to make our branches more convenient. This has included making hearing assist devices and voice amplification devices available at branches, installing writing and communication boards, and providing cane holders and indicators for people with hearing disabilities.



ATMs for people with visual impairments



EQ displays

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 \(Japanese only\)](#)

## ■ Branch Disaster and Emergency Preparedness (SMBC)

SMBC has progressively installed automated external defibrillators (AED) in staffed ATM areas since August 2007. In this way, we are utilizing our nationwide branch infrastructure to help people in emergency situations. Guide maps for disaster preparedness have also been made available at all our branches. They contain information that is needed in a disaster, such as the location of evacuation areas designated by the local government, support stations for returning home during a disaster, and disaster preparedness facilities.

Through these initiatives, we hope to contribute to the safety and well-being of customers and the community.



AED



Guide maps for disaster preparedness

## Community-Based Activities Led by Officers and Employees

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

At SMBC, officers and employees participate in local contribution activities throughout Japan. This includes, for example, participation in community cleanup activities and support of local festivals as well as occasional tours of bank branches. In addition, since fiscal 2012 the bank has conducted a volunteer program based officer and employee participation to support the activities of NPOs and other organizations working to solve social issues.

In fiscal 2015 the program's scope was expanded from SMBC to include officers and employees of the SMFG Group as a whole, and now a broad range of initiatives are being carried out, primarily in the Tokyo and Osaka areas.

### SMFG Pro Bono Project (SMFG Group)

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 support to NPOs engaged in solutions to social issues. Specifically, the bank 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 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 2015, volunteer employees from SMFG Group companies split into two teams, with one team proposing a business plan for an NPO organization receiving support and the other conducting basic marketing research for it. The business plan team helped the NPO formulate medium- and long-term business targets and a concrete action plan for the purpose of raising awareness in Japan of the Fair Trade movement. The basic marketing research team conducted research and analysis to acquire insights for the NPO's medium- and long-term strategies through interviews and other means on how its activities are seen currently.



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.

### SMBC Charity Concert – A Toy Box of Favorite Works (SMBC)

From classical music to lieder and pops, our charity concert "A Toy Box of Favorite Works" includes a variety of music performed by the bank's music clubs, which include a chorus, a chamber orchestra, and a wind orchestra. It is organized by employee volunteers and customers who have signaled their interest are invited.

The concert has been held every year since 2006 to support people around the world facing difficult circumstances. Since 2011, the concert has raised money to support children in the Tohoku region affected by the Great East Japan Earthquake. In fiscal 2016, fundraising activities were held and handicrafts made by bank employees were sold to support refugees forced from their homes due to war or persecution in places such as Syria and to support internally displaced people. A total of ¥376,594 in donations and sales proceeds was donated in full to the UN Refugee Agency.



Wind orchestra and sign-language chorus

### ■ Participation in the TABLE FOR TWO Program (SMBC, SMFL, SMCC)

SMBC supports the objectives of the TABLE FOR TWO (“TFT”) movement and in June 2009 began activities at its head office buildings in Tokyo, Osaka, and Kobe, subsequently extending them to sites nationwide in February 2013.

“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 SMBC employees purchase one of the healthy meal options at the staff cafeteria, a donation worth one school lunch in a developing country is made via the NPO “TABLE FOR TWO International.” Since the start of the program through March 2016, SMBC employees have made total donations equivalent to 550,000 school meals. SMFL, SMCC, and other SMFG Group companies have also begun to institute the program in their cafeterias and through their vending machines.

The SMBC New York Branch has also participated in TFT since 2013. It participates through a lunch vendor that is a partner company in the TFT program. Along with communicating the initiative to employees, the branch also regularly introduces lunch sets for which a portion of sales proceeds are donated to TFT.



TFT

### ■ Donations and Support for Heart Disease Prevention and Awareness (Manufacturers Bank)

Manufacturers Bank participated in the “Heart Walk,” a walking event sponsored by the American Heart Association, which works to raise awareness for the prevention of heart disease, the leading cause of death among Americans. The bank also donated over US\$500 from voluntary employee donations to the organization.



### ■ Support for Special Needs School through Donation Activities (SMBC Suzhou Branch)

The SMBC Suzhou Branch held a charity event on June 7, 2015 to make donations to a local special needs school. Twenty-four bank employees and their families participated, holding a flea market and conducting fundraising. Donations collected through the event were used to purchase supplies that were then donated to the special needs school.



### ■ Charity Event Held for Special Needs School (SMBC Shenzhen Branch)

The SMBC Shenzhen Branch held a charity event for a local special needs schools in January 2016. Money raised through internal branch fundraising and a bazaar was used to buy supplies, which were then donated to the school. The Shenzhen Branch promotes this event and other locally rooted social contribution activities.



### ■ Charity Food Fair Held (SMBC Singapore Branch)

The SMBC Singapore Branch held a charity food fair, with proceeds donated to organizations that support children battling cancer and other serious diseases.



### ■ Blood Drive Held (SMBC Malaysia)

SMBC Malaysia held a blood drive for the first time at its offices.

As a part of a campaign sponsored by the National Blood Centre (of Malaysia), over 40 employees and their families from SMBC Malaysia, the SMBC Labuan Branch and other branches participated and donated blood.



### ■ Support through Volunteering and Donations (SMBC Sydney Branch)

The SMBC Sydney Branch participates in a variety of volunteer and donation activities related to children, intractable diseases, refugees, earthquake reconstruction, community involvement, and other areas. The branch established a CSR committee in 2012 to lend further vitality to its social contribution activities.



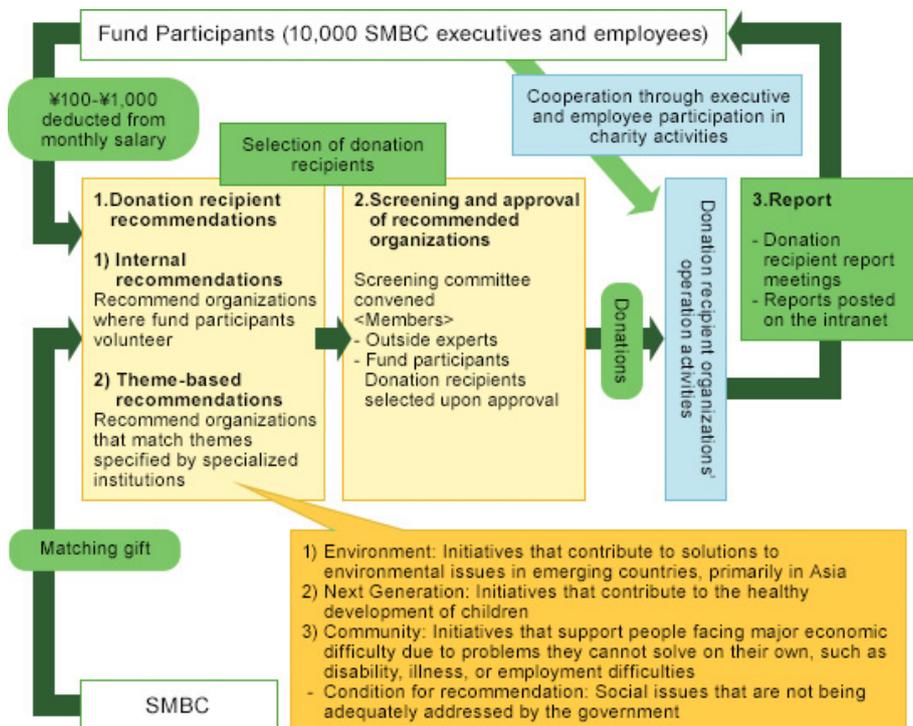
## Solve Social Issues by Collaborating with NGOs and NPOs

### 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. As of March 2016, approximately 10,000 people have signed up, and every year the bank also provides a matching gift.

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 2015 totaled ¥21.0 million.



#### 1. Donation Recipient Recommendations

##### 1) Internal Recommendations

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



Educational support for children with hearing impairments



Organization that supports children with illnesses

##### 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 2015, 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



School meal support at a nursery school (Cambodia)



Support for education focused on health (Kenya)

### In Japan



Support for meals provided to people living on the streets



Educational support and lecture activities for children with roots in foreign countries

## 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 2015, donations were made to 30 organizations (10 internally recommended and 20 externally recommended) after screening and approval by 2 outside and 14 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 2015

- 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 2015)

Organization	Main region for activities	Organization overview	Project supported by the donation
Institute of Environmental Rehabilitation and Conservation (ERECON)	Thailand	The organization is engaged in environmental rehabilitation and conservation in Asia, primarily in Thailand and Cambodia, with the goal of “establishing a harmony between agricultural and urban development and the natural environment.” It also conducts environmental education and awareness-raising to encourage local people to use natural resources sustainably.	In Cambodia, Thailand, and the Philippines, the organization conducts environmental rehabilitation and conservation through creation of green areas by tree-planting and other activities and promotes the spread of sustainable agriculture. In addition, in agricultural villages throughout Cambodia, the organization establishes conditions for sustainable use of natural resources and contributes to rural community development. Further, as an environmental education and awareness-raising activity, the organization trains human resources for the promotion of sustainable agriculture.
NPO iCare Hokkaido	Sapporo	As an empowerment center related to information, communications, and knowledge for people with disabilities, this organization builds networks with medical professionals, volunteers, and government and promotes the smooth provision of support so that people who have had various functions taken away from them can restore their connections with society and spend time fruitfully.	For patients who have lost function in their limbs due to an intractable neurological disease such as ALS or an accident and have also lost the ability to communicate verbally due to a tracheotomy or other procedure, the organization helps them to communicate using assistance devices by providing prior consultation, introducing devices, and helping with their operation. It conducts training throughout Hokkaido for communication assistance volunteers and helps them to build networks.

Organization	Main region for activities	Organization overview	Project supported by the donation
NPO Teach for Japan	Throughout Japan	This organization supports the training of human resources involved in educational issues to realize a society where all children receive the education necessary to live through complex times of rapid change regardless of their community, school, home environment, or economic position.	In addressing Japan's educational issues, the organization selects passionate young people with a strong desire for growth, conducts rigorous training, and provides continuing support and career assistance, and helps them facilitate the growth of children's scholastic abilities. The organization seeks to create a long-term social movement by building a network of people who have completed the "two-year program for dispatching teachers to public schools."

■ 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 ¥45.0 million has been donated as of June 30, 2016.



Atom Card

■ Overseas Initiatives (SMBC)

● Participation in Donations and Activities

Providing Donations and Cooperation to Local Charity Organization New York Cares (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.

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

The annual Crisis Square Mile Run was held in June 2015. 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 eighth, 90 employees participated, the most ever.

In addition, female employees at the Paris Branch of SMBC Europe volunteered to take part in the La Parisienne Marathon, which is held to raise money for breast cancer research, and interest in charity runs and marathons has been increasing at other branches in Europe as well.



### 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.



### Tree-Planting Activities (SMBC Indonesia)

SMBC Indonesia plants coffee trees in partnership with an NPO to prevent landslides and supports farmers in local areas. The coffee trees are cultivated by local farmers to help support their livelihoods.



## ● Promoting Japanese Culture

### Donation of Support Funds for Improving Facilities at the Museum of the Japanese Immigration (SMBC Brazil)

SMBC Brazil donated support funds to the Museum of the Japanese Immigration, which is operated by the Brazilian Society of Japanese Culture. The museum was opened in 1978 to broadly communicate the history of Japanese immigration, and the support funds are being used to improve the museum's facilities, including accessibility for people with physical disabilities.



### Support for Japanese Language Drama Contest for South Korean Students (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 Development of the Next Generation

### 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.



### **Educational Support for Children (New Delhi Branch)**

The SMBC New Delhi Branch teams with local CSR partners to conduct initiatives for the promotion of education, including language and maths, for children living in suburban areas.



## Social Contribution Activities at SMFG Group Companies

### ■ Sumitomo Mitsui Financial Group (SMFG)

SMFG recognizes that financial groups are highly public in nature and strives to contribute to society through daily business operations, as well as striving to make a better society by pursuing diverse social contribution activities as a “responsible corporate citizen.”

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

 [Corporate Social Responsibility \(CSR\): Annual Report 2016](#) (132KB)

### ■ Sumitomo Mitsui Banking Corporation (SMBC)

SMBC recognizes its roles as a responsible corporate citizen, planning and conducting a variety of social contribution activities while also supporting the volunteer activities of executives and employees.

For details regarding SMBC’s activities, please refer to the following website.

 [SMBC: Together with Society \(Japanese only\)](#)

### ■ Sumitomo Mitsui Finance and Leasing (SMFL)

SMFL, as a responsible corporate citizen, participates in social contribution activities and community activities toward the realization of a prosperous society.

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

 [SMFL: CSR Promotion Measures \(Enhancing Social and Environmental Contribution\) \(Japanese only\)](#)

 [SMFL: CSR performance \(Japanese only\)](#)

### ■ SMBC Nikko Securities (SMBC Nikko)

SMBC Nikko Securities strives to contribute to the sustainable development of society through each and every executive and employee conducting activities aimed at resolving the various problems facing society.

In addition, in order to disseminate correct knowledge regarding securities and financial matters, the company actively conducts a variety of awareness-raising activities for financial and economic education for all age groups, from the younger generation, bearers of the future, to adults.

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

 [SMBC Nikko: Financial and Economic Education](#)

 [SMBC Nikko: Social Contribution](#)

### ■ SMBC Friend Securities (SMBC Friend)

SMBC Friend Securities is involved in the development of local communities and solutions to social issues through volunteer activities, donations, and other initiatives.

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

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

### ■ Sumitomo Mitsui Card Company (SMCC)

SMCC promotes online fundraising, participates in “TABLE FOR TWO” and conducts other activities that contribute to local and international communities.

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

 [SMCC: Contribution to Local and International Society \(Japanese only\)](#)

 [SMCC: Online Donations \(Japanese only\)](#)

 [SMCC: Culture, Arts, and Education \(Japanese only\)](#)

### ■ Cedyne Financial Corporation (Cedyne)

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Cedyne actively engages as a good corporate citizen in diverse communications with local communities and conducts a variety of activities directed at solving social issues.

The company also offers its cardholders various ways to participate in social contribution activities through its credit card operations.

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

[☞ Cedyne: For the Local Community \(Community Participation and Community Development\): Social Contribution Activities through Business Activities \(Together with Customers\) \(Japanese only\)](#)

[☞ Cedyne: For the Local Community \(Community Participation and Community Development\): Social Contribution Activities by Employees \(Japanese only\)](#)

[☞ Cedyne: For the Local Community \(Community Participation and Community Development\): Harmony with Local Communities \(Japanese only\)](#)

### ■ SMBC Consumer Finance (SMBCCF)

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As a member of society, SMBC Consumer Finance participates, not only as a company, but at the level of individual employees as well, in activities aimed at the “realization of a lively society and a happy and healthy lifestyle for people.”

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

[☞ SMBCCF: The Realization of a Lively Society and a Happy and Healthy Lifestyle for People](#)

### ■ Japan Research Institute (JRI)

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The Japan Research Institute launched the “Incubation & Innovation Initiative,” a business consortium of cross-sector alliances, together with SMBC in 2016. [☞ \(News release, Japanese only\)](#)

The consortium will support the commercialization of highly progressive technologies and business ideas that will form the foundation of 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.

### ■ THE MINATO BANK (Minato)

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Minato Bank has made walking arm-in-arm with local citizens and contributing to local communities to realize its management philosophy of “contributing to the community” one of its major policies and is engaged in social contribution activities on this basis.

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

[☞ Minato: Social and Environmental Activities and Programs \(Japanese only\)](#)

### ■ Kansai Urban Banking Corporation (KUBC)

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KUBC conducts a variety of social contribution activities that benefit local people as a member of the local community.

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

[☞ KUBC: Environmental Initiatives, Initiatives for the Next Generation, Community Support Initiatives \(Japanese only\)](#)

## 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

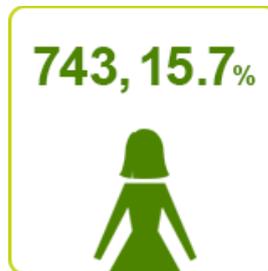
• Number of directors and outside directors  
(As of June 30, 2016)

• Number and ratio of female managers

• Number of male employees taking childcare leave



(SMFG Group)



(SMBC)



(SMBC)

## Interaction with Stakeholders

### The SMFG Group's Contribution to the Sustainable Development of Society Through Its 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.

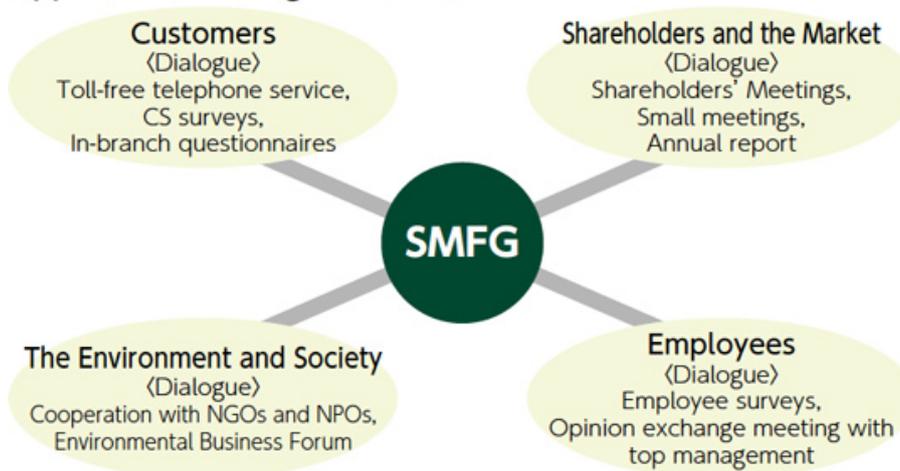
#### CSR values for SMFG



### Relationship with Our 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.

#### Approach to dialogue with stakeholders



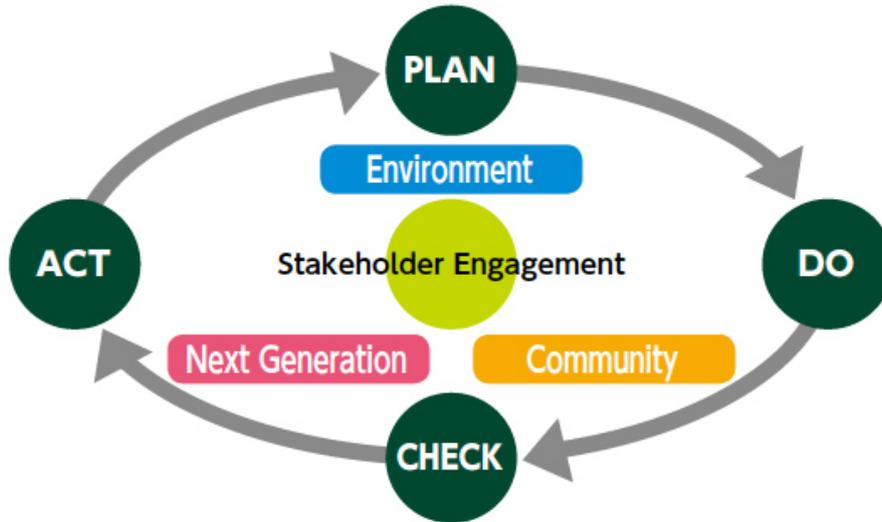
For details regarding dialogue with stakeholders, please refer to the following link.

- ▶ [Dialogue with Stakeholders](#)

### ■ PDCA Cycle in a Bid to Resolve Priority Issues

The Group has reviewed the previously-raised priority issues according to changes in society throughout fiscal 2014, and newly identified three subject matters of “Environment,” “Next Generations” and “Community” as the medium- to long-term priority issues (Materiality). In fiscal 2015, we will take further steps to identify issues requiring action with regard to our priority issues, and incorporate them into specific responses.

#### PDCA cycle in a bid to address three priority issues



## 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.

### Clarifying Matters and Issues That SMFG Should Address in Order to Get to "Where We Want to be Ten Years from Now"

#### Clarifying Matters and Issues That SMFG Should Address in Order to Get to "Where We Want to be Ten Years from Now"

To get to "where we want to be ten years from now" in terms of the priority issues of "environment" "next generation" and "community" that were identified in fiscal 2013, we clarified the matters and issues that SMFG should address to drive a PDCA cycle for determining more concrete action.

In clarifying these matters and issues, we looked not only at the CSR issues that are considered important by Group companies, but also at those\* that matter to our stakeholders. Furthermore, we held a dialog with a number of experts to check whether sufficient consideration and recognition has been given to the matters and issues that SMFG group should address and ensure that none have slipped through the net.

Moreover, to comply with the GRI G4 Guidelines, we created an association between the matters and issues to be addressed and the specified standard disclosure items, and held a discussion about boundaries.

\*Regarding priority issues for stakeholders, we refer to the issues listed in the Sustainability Accounting Standards Board's "Disclosure Topics for Financials Sector" and the issues for the financial sector summarized in the Nippon CSR Consortium held by Caux Round Table Japan.



Dialog with experts

#### Experts Who Attended the Dialog



One Akiyama  
President  
Integrex Inc.



Kaori Kuroda  
Executive Director  
CSO Network Japan

#### Selection of Opinions

- I think SMFG should place even more emphasis on using its financial functions to provide solutions for social problems.
- There is a call for the Group to expand its initiatives on human rights.
- The target "Community" should take into account not only domestic and overseas, but also investees' perspectives.
- Employees require education and awareness-raising in order to make an impact with their daily work operations, including on the individual human rights of investees and on the environment.

- The risk perspective is important for the environment business and other overseas business development. SMFG group should provide more disclosure on initiatives such as the Equator Principles and the Global Compact.
- SMFG group needs to consider coming up with business ideas that originate from social issues based on the concept of working “in collaboration” with NGOs and NPOs rather than merely “supporting” them.

## ■ Back Number

### ● 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.

## Customer Satisfaction

### ■ Fundamental Approach for CS and Quality (SMFG Group)

SMFG group shall implement measures to improve CS and Quality while cooperating among group companies by setting forth as one of our management principles: "To found our own prosperity on providing valuable services which help our customers to build their prosperity."

### ■ Management to Improve CS and Quality (SMFG Group)

SMFG group regularly holds meetings for the "Group CS Committee," which is chaired by the senior management executive of the general affairs section of the Group for promoting cooperation among group companies. The committee examines and discusses feedback from customers at Group companies, CS promotion policies and other related matters, and works to strengthen management systems and improve CS and quality for the Group as a whole through development of a complaint reporting and feedback system for SMFG as a whole and customer support on a Group-wide basis.

In addition, a working group was established in July 2010 with representatives from each Group company to share information and consider specific policies.

More information on CS and quality improvement initiatives at Group companies is available at the following link.

▶ [Customer Satisfaction-Related Initiatives of SMFG Group Companies](#)

### ■ Responding to Customers' Opinion and Requests: Utilization in Management (SMBC)

SMBC takes active steps to utilize customer feedback in its operations.

Customers' opinions and requests are entered into the "Voice of the Customers" (VOC) database and shared widely across the bank. The data are analyzed by all departments of the bank and channeled into enhancing our response to customers through use in improving products and services and in staff training.

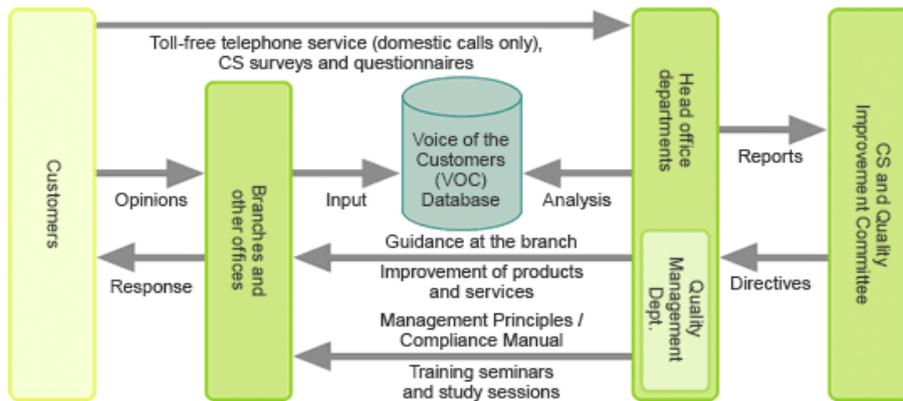
The Quality Management Department is responsible for developing plans, proposals, and systems for the improvement of CS\* and quality. In addition, this department hosts meetings of the CS and Quality Improvement Committee, which is chaired by the president and made up of all members of the Management Committee, to discuss appropriate cross-departmental measures for the entire bank to enable us to provide services that enhance customer satisfaction.

In other efforts to utilize customer feedback, divisional CS and quality improvement subcommittees and CS committees at the branch level meet regularly, and education, training and on-the-job training are conducted.

\*CS stands for "customer satisfaction."

### ■ Clients Always Come First (SMBC)

SMBC sets forth detailed action principles under the "Clients always come first" of the Compliance Manual, along with "Our Mission," in order to enforce "Clients always come first" (CCF) marketing attitude. Furthermore, the bank raises awareness of the CCF attitude among all employees through Group training seminars and study sessions conducted at branches. During such training seminars and study sessions, the bank specifically incorporates clients' opinions and requests for the implementation of the CCF attitude into daily business activities. Further, the CCF Action Plan ("Customer Comes First & Compliance Comes First") is formulated and promoted each fiscal year in business divisions to promote customer service (CS) and compliance in each division.



Details on the CCF Action Plan can be found at the following link.

▶ CCF Action Plan

■ CS and Quality Improvement Committee (SMBC)

SMBC holds regular meetings each year of the CS and Quality Improvement Committee, which is chaired by the president and made up of all members of the Management Committee. The committee analyzes feedback received from customers, uses it to improve the quality of products and services and holds discussions on ways of further improving customer satisfaction.

● Items Considered by CS and Quality Improvement Committee Meetings in Fiscal 2015

Date Held	Items
July 27, 2015	<ul style="list-style-type: none"> <li>- Analysis of feedback received from customers in fiscal 2014</li> <li>- Activities to improve products and services, etc. based on customer feedback</li> </ul>
December 8, 2015	<ul style="list-style-type: none"> <li>- Analysis of feedback received from customers in the first half of fiscal 2015</li> <li>- Activities to improve products and services, etc. based on customer feedback</li> <li>- Results of employee awareness survey on customer-comes-first and compliance</li> </ul>

The committee discussions resulted in a decision to adopt the following fiscal 2016 policy and initiatives are being conducted accordingly.

Practice “Customer First” to accommodate stronger societal demand for customer service

## CCF Action Plan

At SMBC, each operating division formulates and promotes the “CCF Action Plan” (Customer Comes First & Compliance Comes First) each fiscal year to keep customer satisfaction (CS) a key focus and promote compliance.

Each division’s initiatives are described below.

### ● Retail Division

Main Results in Fiscal 2015	Main Initiatives for Fiscal 2016
<ul style="list-style-type: none"> <li>▪ <b>Strengthening of compliance system in connection with conversion to area system</b> <ul style="list-style-type: none"> <li>- Strengthened compliance system for integrated corporate-retail operations (held various seminars, etc. and strengthened guidance system)</li> </ul> </li> <li>▪ <b>Response to priority divisional issues for realization of future vision</b> <ul style="list-style-type: none"> <li>- Maintained compliance awareness (surveyed compliance at branches with respect to financial product sales and inducement rules)</li> </ul> </li> <li>▪ <b>Response to changes in financial regulations and environmental conditions</b> <ul style="list-style-type: none"> <li>- Speedily and appropriately complied with financial regulations (initiatives for border rejection of transactions with anti-social forces)</li> <li>- Strengthened management systems for customer protection, and so forth, for full customer satisfaction (complied with revised Insurance Business Act)</li> </ul> </li> <li>▪ <b>Strengthening of initiatives to raise CS levels</b> <ul style="list-style-type: none"> <li>- Strengthened sales systems and business processes from customer’s perspective (improved usability by providing dedicated smartphone screens on SMBC Direct, and other initiatives)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Strengthening of compliance system under area system</b> <ul style="list-style-type: none"> <li>- Strengthen compliance system for integrated corporate-retail operations</li> <li>- Further raise compliance awareness</li> </ul> </li> <li>▪ <b>Response to priority divisional issues</b> <ul style="list-style-type: none"> <li>- Take steps to expand scope and increase balance of deposits held</li> <li>- Take steps to further unify the Group</li> </ul> </li> <li>▪ <b>Respond to changes in financial regulations and environmental conditions</b> <ul style="list-style-type: none"> <li>- Speedy, appropriate response to financial regulations and other laws and regulations</li> <li>- Strengthen management system for customer protection, and so forth, for full customer satisfaction</li> </ul> </li> <li>▪ <b>Strengthening of initiatives to raise CS levels</b> <ul style="list-style-type: none"> <li>- Raise customer service levels and enhance customer protection system</li> <li>- Conduct initiatives supported by the community to be No. 1 locally</li> </ul> </li> </ul>

### ● Wholesale Division

Main Results in Fiscal 2015	Main Initiatives for Fiscal 2016
<ul style="list-style-type: none"> <li>• <b>Compliance with society's demands</b> <ul style="list-style-type: none"> <li>- Implemented customer protection (Group compliance, etc.)</li> <li>- Thoroughly implemented various information management measures</li> <li>- Conducted initiatives to reject transactions with anti-social forces and to strengthen money laundering prevention</li> </ul> </li> <li>• <b>Entrenched compliance in business promotion</b> <ul style="list-style-type: none"> <li>- Thoroughly promoted business appropriate to customer intentions and interests</li> <li>- Fully implemented rules for each operation based on compliance-related precautions</li> </ul> </li> <li>• <b>Strengthening of autonomous compliance system</b> <ul style="list-style-type: none"> <li>- Provided compliance guidance and fully implemented compliance at branches</li> <li>- Disseminated information in a timely and appropriate manner</li> <li>- Increased efficiency of branch operations</li> </ul> </li> <li>• <b>Initiatives to raise CS levels</b> <ul style="list-style-type: none"> <li>- Promoted independent branch initiatives to raise CS levels</li> <li>- Conducted ongoing initiatives to grasp actual customer situations through CS/NPS surveys based on new segments</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Rigorous compliance integrated with business promotion</b> <ul style="list-style-type: none"> <li>- Rigorously ensure appropriate marketing (Group compliance, etc.)</li> <li>- Continue financial facilitation measures and customer follow-up</li> <li>- Prevent fading awareness of negative cases in the past</li> </ul> </li> <li>• <b>Thorough implementation of various information management measures</b></li> <li>• <b>Strengthening of initiatives for rejecting transactions and relationships with anti-social forces and for prevention of money laundering</b></li> <li>• <b>Initiatives to raise CS levels from the customer's perspective</b> <ul style="list-style-type: none"> <li>- Promote independent branch initiatives to raise CS levels</li> <li>- Implement ongoing initiatives to grasp actual customer conditions through various surveys</li> </ul> </li> </ul>

### ● International Division

Main Results in Fiscal 2015	Main Initiatives for Fiscal 2016
<ul style="list-style-type: none"> <li>• <b>Response to stronger international regulations and sanctions</b> <ul style="list-style-type: none"> <li>- Promoted more advanced money laundering management</li> <li>- Began measures for OECD/BEPS</li> <li>- Completed FATCA reporting and further developed compliance system by instituting reporting system, etc.</li> </ul> </li> <li>• <b>Response to expanding global business</b> <ul style="list-style-type: none"> <li>- Examined strengthening of overseas compliance systems</li> <li>- Rigorously implemented compliance related to establishment of branches and departments</li> <li>- Continued enhancement of response to local authorities</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Response to stronger international regulations and sanctions</b> <ul style="list-style-type: none"> <li>- Conduct initiatives to build system for preventing money laundering on a global basis, etc.</li> <li>- Implement measures for OECD/BEPS and CSR</li> <li>- Respond to various risks</li> </ul> </li> <li>• <b>Initiatives to strengthen overseas compliance systems</b> <ul style="list-style-type: none"> <li>- Cultivate a compliance culture</li> <li>- Strengthen compliance function coordination between the head office and overseas sites</li> <li>- Thoroughly communicate global policy on compliance</li> <li>- Smoothly introduce GRC system</li> <li>- Strengthen compliance personnel</li> </ul> </li> </ul>

### ● Treasury Unit

Main Results in Fiscal 2015	Main Initiatives for Fiscal 2016
<ul style="list-style-type: none"> <li>• <b>Initiatives to promote CS/compliance</b> <ul style="list-style-type: none"> <li>- Confirmed CS/compliance via various types of monitoring</li> <li>- Conducted divisional study seminars</li> </ul> </li> <li>• <b>Improvements to products and services based on customer feedback</b> <ul style="list-style-type: none"> <li>- Utilized requests collected in "Voice of the Customers" (VOC) and "Advice" databases in product and service improvements</li> </ul> </li> <li>• <b>Business plan formulation and progress monitoring</b> <ul style="list-style-type: none"> <li>- Formulated business plans based on compliance aspects</li> <li>- Formulated appropriate business plans based on head office planning guidelines for Treasury Unit</li> </ul> </li> <li>• <b>Compliance with laws and regulations</b> <ul style="list-style-type: none"> <li>- Established system ahead of enforcement of Volcker Rule</li> <li>- Established system ahead of enforcement of margin regulations</li> <li>- Implemented measures for strengthening conduct risk management</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Initiatives to promote CS/compliance</b> <ul style="list-style-type: none"> <li>- Confirm CS/compliance through various types of monitoring</li> <li>- Hold divisional study seminars</li> </ul> </li> <li>• <b>Improvements to products and services based on customer feedback</b> <ul style="list-style-type: none"> <li>- Utilize requests collected in "Voice of Customer" (VOC) and "Advice" databases in product and service improvements</li> </ul> </li> <li>• <b>Business plan formulation and progress monitoring</b> <ul style="list-style-type: none"> <li>- Formulate business plans incorporating compliance aspects</li> <li>- Formulate appropriate business plans based on head office planning guidelines for the Treasury Unit</li> </ul> </li> <li>• <b>Compliance with laws and regulations</b> <ul style="list-style-type: none"> <li>- Revise business systems ahead of enforcement of revised Act on Prevention of Transfer of Criminal Proceeds</li> <li>- Implement measures to strengthen conduct risk management</li> </ul> </li> </ul>

### ● Investment Banking Unit

Main Results in Fiscal 2015	Main Initiatives for Fiscal 2016
<ul style="list-style-type: none"> <li>• <b>Construction of a compliance system for supporting operation strategies</b> <ul style="list-style-type: none"> <li>- Shared key compliance issues related to new product development and global business promotion</li> <li>- Reinforced awareness of precautions related to banking/securities/trust business</li> <li>- Strengthened trust bank operation management system</li> <li>- Continued branch support through individual training, etc.</li> </ul> </li> <li>• <b>Appropriate, timely response to stronger financial regulations</b> <ul style="list-style-type: none"> <li>- Implemented measures for money laundering-related regulations</li> <li>- Implemented measures for FACTA and other overseas financial regulations</li> <li>- Enhanced compliance knowledge/awareness</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Strengthening of compliance system in response to operation strategy</b> <ul style="list-style-type: none"> <li>- Respond to new business development</li> <li>- Respond to product enhancement and expansion</li> </ul> </li> <li>• <b>Appropriate, timely response to stronger regulations</b> <ul style="list-style-type: none"> <li>- Respond to money laundering-related regulations</li> <li>- Implement continuous response to financial and tax regulations</li> </ul> </li> <li>• <b>Rigorous CS/compliance initiatives</b> <ul style="list-style-type: none"> <li>- Take steps to raise CS</li> <li>- Thoroughly implement customer protection</li> <li>- Enhance compliance knowledge/awareness</li> </ul> </li> </ul>

## ● Administrative Departments

Main Results in Fiscal 2015	Main Initiatives for Fiscal 2016
<ul style="list-style-type: none"> <li>▪ <b>Improvement of CS and maintenance and improvement of customer service capabilities</b> <ul style="list-style-type: none"> <li>- Generally maintained good level in branch administrative indicators in fiscal 2015</li> <li>- Steadily implemented various measures to reduce paperwork burden of branch customers</li> <li>- Opened Umeda Inheritance Office</li> <li>- Switched to passbooks less susceptible to magnets</li> </ul> </li> <li>▪ <b>Rigorous compliance and more advanced risk management</b> <ul style="list-style-type: none"> <li>- Implemented various legal system measures for “My Number” system, unified financial income tax, NISA, Junior NISA, etc.</li> <li>- Strengthened legal and regulatory compliance initiatives for prevention of money laundering, etc.</li> <li>- Continued outside vendor management</li> </ul> </li> <li>▪ <b>Activities of administrative compliance officer (CTO)</b> <ul style="list-style-type: none"> <li>- Implemented management, supervision and instruction related to branch management and compliance with laws and regulations via business indicator monitoring, branch inspections, interviews, etc.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Improvement of CS and maintenance and improvement of customer service capabilities</b> <ul style="list-style-type: none"> <li>- Digitize paperwork, simplify administrative procedures, conduct branch reforms that include strengthening branch reception systems, further improve customer convenience, and provide administrative services with a high degree of hospitality</li> <li>- Continue conducting various types of monitoring and maintain/improve customer service through sharing good examples such as positive feedback</li> </ul> </li> <li>▪ <b>Rigorous compliance</b> <ul style="list-style-type: none"> <li>- Respond appropriately to future legal and regulatory system reforms including development of the “My Number” system (shared number system), additional reforms to the Act on Prevention of Transfer of Criminal Proceeds, and more advanced settlement methods</li> <li>- Disseminate information to branches on administrative procedures related to legal and regulatory system reforms and customer service compliance</li> <li>- Continue supervision of outside vendors</li> </ul> </li> <li>▪ <b>Activities of administrative compliance officer (CTO)</b> <ul style="list-style-type: none"> <li>- Promote branch operations with more integration of administration and operations based on reforms to branch organizations</li> <li>- Continue management, supervision and instruction related to laws and regulations</li> </ul> </li> </ul>

## Customer Satisfaction-Related Initiatives of SMFG Group Companies

### ■ Sumitomo Mitsui Banking Corporation (SMBC)

SMBC's management philosophy includes the principle: "We grow and prosper together with our customers, by providing services of greater value to them." To fully realize it, we are working to further raise the value of services to customers by integrating and analyzing the opinions and other feedback received at head offices and branches.

### ■ Sumitomo Mitsui Finance and Leasing (SMFL)

SMFL administers customer questionnaires to gain candid feedback of clients, which is utilized in future initiatives.

For further details, please refer to the following website.

[☞ SMFL: Report on results of customer questionnaire \(Japanese only\)](#)

### ■ SMBC Nikko Securities (SMBC Nikko)

Guided by a philosophy of "To provide higher value, based on a customer-first principle," SMBC Nikko Securities works to develop systems for proactively communicating with customers in order to be their preferred securities company. The company also works to utilize the feedback it receives in the products and services it provides to earn the satisfaction of its customers.

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

[☞ SMBC Nikko: Raising customer satisfaction \(Japanese only\)](#)

### ■ SMBC Friend Securities (SMBC Friend)

SMBC Friend Securities strives to raise customer satisfaction through the practice of putting the customer first, a basic tenet of the financial services industry. The company also administers a customer questionnaire every year to gain a firm understanding of customer needs in order to raise service levels through ongoing improvements.

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

[☞ SMBC Friend: Initiatives to Raise Customer Satisfaction \(Japanese only\)](#)

### ■ Sumitomo Mitsui Card Company (SMCC)

With a basic policy of putting the customer first, SMCC values every item of customer feedback received, including opinions, requests, or comments, and uses it to further improve and develop its products and services. The company also provides information on the correct use of credit cards through its website and other media to ensure customers use their cards securely.

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

[☞ SMCC: Customer Satisfaction Initiatives and Customer Feedback \(Japanese only\)](#)

[☞ SMCC: Using Credit Cards Securely \(Japanese only\)](#)

### ■ Cedyna Financial Corporation (Cedyna)

Cedyna quickly and appropriately responds to customer feedback, including comments and requests, and works to enhance products, services, and administration quality in order to facilitate even higher levels of customer satisfaction.

It also strives to maintain the trust of customers through rigorous protection of personal information received from customers, limiting damage from credit card fraud, enhancing the expertise of employees, and other such initiatives.

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

[☞ Cedyna: For Customers \(Consumer Issues\)-Using Credit Cards Securely \(Japanese only\)](#)

[☞ Cedyna: For Customers \(Consumer Issues\)-Communication with Customers \(Japanese only\)](#)

### ■ SMBC Consumer Finance (SMBCCF)

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SMBCCF strives to increase the safety and security of the market while also helping to maintain and expand it through finance and economics education activities and other initiatives. These aim to provide people with accurate knowledge and sound decision-making ability in connection with money.

In addition, customer feedback is examined from the customer's perspective as the company works to provide services that can be used with confidence by even more customers.

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

[☞ SMBCCF: Formation of a Sound Consumer Finance Market](#)

[☞ SMBCCF: Providing finance education programs at Customer Service Plaza \(Japanese only\)](#)

[☞ SMBCCF: Initiatives based on customer feedback \(Japanese only\)](#)

### ■ Japan Research Institute (JRI)

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JRI administers customer satisfaction questionnaires in order to utilize feedback in future initiatives.

The institute will continue to pursue increased customer satisfaction through ongoing business improvements.

### ■ THE MINATO BANK (Minato)

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Minato Bank works to improve products and services to further raise customer satisfaction based on customers' comments and requests. The bank also incorporates universal design principles and promotes customer –friendly branch design.

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

[☞ Minato: Together with Customers \(Customer Satisfaction and Quality Improvement Initiatives\) \(Japanese only\)](#)

### ■ Kansai Urban Banking Corporation (KUBC)

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KUBC intends to be a bank that has the complete trust and support of its customers. For this purpose, it will always provide services that meet the true needs of its customers to assure their satisfaction and earn their confidence.

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

[☞ KUBC: Together with Customers \(Japanese only\)](#)

## Human Resources Development That Embodies Our Five Values

The SMFG Group has established a set of Five Values to guide the actions of all Group employees: 1. Customer First, 2. Proactive and Innovative, 3. Speed, 4. Quality, and 5. Team SMBC/SMFG. By developing human resources to embody the Five Values, we are able to provide added value that exceeds customer expectations.

### Initiatives to Promote Our Five Values (SMFG Group)

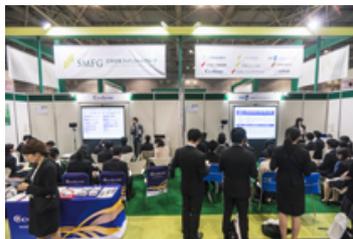
To enable our Five Values to permeate group-wide, we have SMFG joint training seminars where new hires across group companies come together and a joint SMFG management program for Group company managers to engage in discussions about SMFG's future.



From the joint SMFG training seminar for newly-hired employees

### Initiatives to Foster a Team SMFG Spirit (SMFG Group)

To foster a Team SMFG spirit, we arrange for interchanges between employees of different Group companies and seek to promote Group ties through human resources strategies, such as joint activities for new hires.



Booth of SMFG Group companies



A presentation in progress

### Initiatives to Promote "Proactive & Innovative" (SMBC)

SMBC has set its sights on becoming a "Proactive & Innovative head office" where high sensitivity to change in the environment feeds into early response in effecting measures and producing ideas.

In fiscal 2016, the expectations of main office staff are being symbolized as an "Aggressively Proactive and Innovative head office," creating a platform for thinking with unprecedented freedom and working in a spirit of positive challenge and tireless enthusiasm. In tandem with this initiative, SMBC is building an in-house body of knowledge as SMFG Group, and increasing its hiring and utilization of external personnel.



Promotional poster for employee initiatives

For further details on human resource development initiatives at each Group company, please refer to the following websites.

☞ [SMBC: Training Employees with Specialized Professional Skills \(Japanese only\)](#)

☞ [SMBC Nikko: Human Resource Development \(Japanese only\)](#)

☞ [SMBC Friend: Together with Employees \(Japanese only\)](#)

☞ [SMCC: Together with Employees \(Japanese only\)](#)

☞ [Cedyna: Together with Employees \(labor practices\) \(Japanese only\)](#)

☞ [SMBCCF: An open and natural corporate culture](#)

## Creating a Pleasant Work Environments for All Employees (Work-Life Balance)

SMFG Group conducts initiatives for work-life balance and to reform working formats with the goal of creating work environments that allow each and every employee to fully demonstrate their abilities and continue to grow with a high degree of motivation.

### ■ Work Format Reforms (SMFG Group)

Reforming work formats by rectifying long working hours and allowing for flexible work times is essential to developing an environment that allows all employees to excel, including employees with restrictions on working hours due to childcare or nursing care responsibilities, and to further raising productivity. The SMFG Group has therefore begun to conduct awareness training and introduce telecommuting, for example, in response to issues at Group companies.

More information on work-life balance initiatives at Group companies is available on the following websites.

[☞ SMBC: Creating a Corporate Culture Which Derives Strength from Diversity \(Japanese only\)](#)

[☞ SMBC Nikko: Creating Pleasant Workplaces \(Japanese only\)](#)

[☞ SMBC Friend: Together with Employees \(Japanese only\)](#)

[☞ SMCC: Together with Employees \(Japanese only\)](#)

[☞ Cedyne: Creating Pleasant Workplaces \(Japanese only\)](#)

[☞ SMBCCF: An open and natural corporate culture](#)

[☞ JRI: Support for the Development of the Next Generation, Promotion of Women's Participation and Advancement \(Japanese only\)](#)

### ■ Balancing Work and Nursing Care Responsibilities (SMFG Group)

The number of people recognized as requiring nursing care has risen to over 6 million as Japan's population has aged, just about anyone may find themselves needing to balance work and nursing care responsibilities. The SMFG Group has therefore begun to enhance measures to help employees balance these responsibilities, conducting nursing care seminars for employees and their families, for example.

Going forward we intend to continue developing programs that will allow employees involved in nursing care to balance these duties with their job responsibilities.

### ■ Support for Balancing Work and Family Responsibilities (SMFG Group)

Sumitomo Mitsui Financial Group is improving its "Employees Support Program" to support balancing of both work and family. We are preparing and distributing a guidebook describing the system for employees to take advantage of the system according to their stage of life. Group companies have already implemented programs for parental leave, nursing care leave, shorter working hours and other programs providing better benefits than those mandated by law. Further, these programs improve the support system for balancing both work and childcare by implementing the childcare allowance system and rehiring former employees system. Additionally, these companies organize the "Visit the Workplace Day" event for their children to visit the workplace of parents for children to gain an understanding of the workplace. They also encourage their employees to take summer vacation and reduce their working hours. These efforts have been formally recognized, with both SMBC and the Japan Research Institute earning "Platinum Kurumin" certification, which is given to companies that conduct high-level initiatives in support of child-raising.

For further details on the work-life balance support systems at SMFG Group companies, please refer to the following website.

▶ [Main Systems for Achieving a Work-Life Balance at SMFG Group Companies](#)

### ■ Enhancing Awareness for Human Rights (SMFG Group)

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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 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, the bank surveys and researches future approaches to human rights issues.

### ■ Achieving Healthy and Fulfilling Lifestyles (SMFG Group)

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SMFG Group companies pursue numerous initiatives that give rise to safe and pleasant workplace environments, and furthermore help employees achieve healthier and more fulfilling lives.

SMFG Group companies also forge sound management-worker relations through efforts that include holding regular discussions with respect to labor conditions and human resource practices.

More information on initiatives for employee health at SMFG Group companies is available at the following website.

▶ Initiates at SMFG Group Companies to Create Pleasant Workplaces

## Initiatives at SMFG Group Companies to Create Pleasant Workplaces

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### ■ Sumitomo Mitsui Banking Corporation (SMBC)

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SMBC conducts initiatives to create workplaces that enable each and every employee to continue to grow with a high degree of motivation, including the development of highly specialized human resources, support for autonomous career design, the fostering of a corporate culture that has diversity as a strength, the realization of healthy, enriching lives, and respect for human rights.

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

[☞ SMBC: Together with Employees \(Japanese only\)](#)

### ■ SMBC Nikko Securities (SMBC Nikko)

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SMBC Nikko Securities has the following in its basic code of conduct: "Respect the basic human rights that people possess intrinsically from birth and act with an awareness of creating an organizational culture that accepts diversity" and "Do not tolerate any form of discrimination." In addition, the company has a basic policy on human resources development of "developing, training, and growing together" to clarify its commitment to human resources development on a united, company-wide basis and to raise awareness of this stance in an effort to build the necessary foundation for officers and employees to understand, share and practice the company's management philosophy.

For details regarding various activities, please refer to the following website. (Japanese only)

[☞ SMBC Nikko: Together with Employees - Developing Human Resources \(Japanese only\)](#)

[☞ SMBC Nikko: Together with Employees - Diversity & Inclusion \(Japanese only\)](#)

[☞ SMBC Nikko: Together with Employees - Creating Pleasant Working Environments \(Japanese only\)](#)

### ■ SMBC Friend Securities (SMBC Friend)

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SMBC Friend Securities works to promote work-life balance and develop various support programs to realize a workplace environment that allows employees to feel pride and joy in their work for the company.

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

[☞ SMBC Friend: Together with Employees \(Japanese only\)](#)

### ■ Sumitomo Mitsui Card Company (SMCC)

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SMCC works to create workplace conditions that allow every employee to continue to grow with a high degree of motivation. Initiatives include acquisition of "Kurumin" certification for support of the next generation and also strives to develop human resources capable of making contributions to society.

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

[☞ SMCC: Together with Employees \(Japanese only\)](#)

### ■ Cedyne Financial Corporation (Cedyne)

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Cedyne works to foster a corporate culture in which “employees act with vitality while having mutual respect for one another.” It is also working to enhance various policies and human resources programs that allow for the realization of work-life balance so that each and every employee is able to autonomously and fully achieve their potential.

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

[☞ Cedyne: Together with Employees \(Labor Practices\) \(Japanese only\)](#)

### ■ SMBC Consumer Finance (SMBCCF)

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SMBCCF develops human resources with a high degree of specialization while respecting each individual, aiming to be a company where each employee works with pride and vitality. It also strives to develop programs that enable employees to work with a sense of fulfillment.

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

[☞ SMBCCF: An open and natural corporate culture](#)

### ■ Japan Research Institute (JRI)

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JRI will work to foster a culture that employees can keep working regardless of their life stages, by holding up our policy “Create workplace conditions that makes it easy for every employees to work.”

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

[☞ JRI: Supporting the Development of the Next Generation, Promotion of Women's Participation and Advancement \(Japanese only\)](#)

### ■ THE MINATO BANK (Minato)

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Minato Bank values emotional freedom and richness and works to maintain a corporate culture brimming with vitality in a way that makes work worthwhile.

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

[☞ Minato: Together with Employees \(Japanese only\)](#)

### ■ Kansai Urban Banking Corporation (KUBC)

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One of KUBC's management policies is to “develop energetic group of employees.” Guided by this policy, the company works to foster a free and active business environment and develop human resources trusted by customers.

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

[☞ KUBC: Together with Employees \(Japanese only\)](#)

## Main Systems for Achieving a Work-Life Balance at SMFG Group Companies

### ■ Sumitomo Mitsui Banking Corporation (SMBC)

<b>Parental leave</b>	18 months or maximum of 2 years in case of inability to place in daycare center
<b>Leave for taking care of sick children</b>	Until March 31 of the 6th grade (10 days per annum per child; 20 days for two or more children)
<b>Shorter working hours</b>	Employees can choose shorter working hours for each day or fewer days worked per week, both applicable until March 31 of the 6th grade
<b>Restrictions on overtime</b>	Until March 31 of the 6th grade
<b>Exemption from late-night work</b>	Until March 31 of the 6th grade
<b>Other principal systems</b>	<ul style="list-style-type: none"> <li>▪ Short-term childcare leave</li> <li>▪ Work relocations</li> <li>▪ Childcare subsidies</li> <li>▪ Leave for nursing care</li> <li>▪ Shorter working hours allowed for nursing care</li> <li>▪ System for rehiring former employees</li> </ul>

### ■ SMBC Trust Bank (SMBCTB)

<b>Parental leave</b>	1 year or maximum of 18 months in case of inability to place in daycare center
<b>Leave for taking care of sick children</b>	Until the entry into elementary school (5 days per annum per child; 10 days for two or more children)
<b>Shorter working hours</b>	Until 3 years of age Employees can set working hours at a minimum 6 hours per day and a minimum 60% of the standard working hours per week
<b>Restrictions on overtime</b>	Until the entry into elementary school
<b>Exemption from late-night work</b>	Until the entry into elementary school
<b>Other principal systems</b>	<ul style="list-style-type: none"> <li>• Flextime System</li> <li>• Flexibility in working hours</li> <li>• Flexibility in the work place</li> <li>• Nursing time</li> <li>• Paternity leave (3 days)</li> <li>• Half-day paid leave</li> <li>• Nursing Leave</li> <li>• Shorter working hours allowed for nursing care</li> <li>• Nursing care leave</li> <li>• Babysitter services provided</li> </ul>

### ■ Sumitomo Mitsui Finance and Leasing (SMFL)

<b>Parental leave</b>	1 year or maximum of 18 months in case of inability to place in daycare center
<b>Leave for taking care of sick children</b>	Until the entry into elementary school (5 days per annum per child; 10 days for two or more children) *May be extended as needed
<b>Shorter working hours</b>	Employees can reduce daily working hours to a minimum of 5 hours 30 minutes until March 31 of the 6th grade
<b>Restrictions on overtime</b>	Until the entry into elementary school
<b>Exemption from late-night work</b>	Until the entry into elementary school
<b>Other principal systems</b>	<ul style="list-style-type: none"> <li>• Work relocations</li> <li>• System for rehiring former employees</li> <li>• Short-term childcare leave</li> <li>• Leave for nursing care</li> <li>• Shorter working hours allowed for nursing care</li> </ul>

### ■ SMBC Nikko Securities (SMBC Nikko)

<b>Parental leave</b>	Until 3 years of age
<b>Leave for taking care of sick children</b>	Until the entry into elementary school (5 days per annum per child; 10 days for two or more children)
<b>Shorter working hours</b>	Employees may reduce daily working hours in increments of 30 minutes up to 2.5 hours until March 31 of the 6th grade
<b>Restrictions on overtime</b>	Until March 31 of the 6th grade
<b>Exemption from late-night work</b>	Until March 31 of the 6th grade
<b>Other principal systems</b>	<ul style="list-style-type: none"> <li>• Short-term childcare leave</li> <li>• Discounted rates for contracted daycare service</li> <li>• Nursing care leave</li> <li>• Special days off for nursing care</li> <li>• Shorter working hours allowed for nursing care</li> <li>• Short-term leave for nursing care</li> <li>• Staggered working hours (working in shifts)</li> <li>• Rehiring former employees</li> </ul>

### ■ SMBC Friend Securities (SMBC Friend)

<b>Parental leave</b>	18 months or maximum of 2 years in case of inability to place in daycare center
<b>Leave for taking care of sick children</b>	Until March 31 of the 3rd grade (5 days per annum per child; 10 days for two or more children)
<b>Shorter working hours</b>	Employees can reduce daily working hours to between 6 hours and 6 hours 50 minutes until March 31 of the 3rd grade
<b>Restrictions on overtime</b>	Until March 31 of the 3rd grade
<b>Exemption from late-night work</b>	Until March 31 of the 3rd grade
<b>Other principal systems</b>	<ul style="list-style-type: none"> <li>• Leave for nursing care</li> <li>• Shorter working hours allowed for nursing care</li> <li>• System for rehiring former employees</li> </ul>

### ■ Sumitomo Mitsui Card Company (SMCC)

<b>Parental leave</b>	18 months or maximum of 2 years in case of inability to place in daycare center
<b>Leave for taking care of sick children</b>	Until March 31 of the 6th grade (5 days per annum per child; 10 days for two or more children)
<b>Shorter working hours</b>	Employees can choose shorter working hours for each day or fewer days worked per week, both applicable until March 31 of the 3rd grade
<b>Restrictions on overtime</b>	Until March 31 of the 3rd grade
<b>Exemption from late-night work</b>	Until March 31 of the 3rd grade
<b>Other principal systems</b>	<ul style="list-style-type: none"> <li>• Work relocations</li> <li>• Childcare subsidies</li> <li>• Nursing care leave, days off for nursing care</li> <li>• Shorter working hours for nursing care</li> <li>• Rehiring former employees</li> <li>• Special leave (for spouse's childbirth)</li> </ul>

### ■ Cedyne Financial Corporation (Cedyne)

<b>Parental leave</b>	Until 3 years of age
<b>Leave for taking care of sick children</b>	Until March 31 of the 6th grade (5 days per annum per child; 10 days for two or more children)
<b>Shorter working hours</b>	Until March 31 of the 3rd grade (Employees can choose to work 5, 6, or 7 hours a day).
<b>Restrictions on overtime</b>	Until the entry into elementary school
<b>Exemption from late-night work</b>	Until the entry into elementary school
<b>Other principal systems</b>	<ul style="list-style-type: none"> <li>• Maternity leave and work</li> <li>• Short-term childcare leave</li> <li>• Leave for nursing care</li> <li>• Shorter working hours allowed for nursing care</li> <li>• System for rehiring former employees</li> <li>• Maternity leave (for men)</li> </ul>

### ■ SMBC Consumer Finance (SMBCCF)

<b>Parental leave</b>	1 year or maximum of 18 months in case of inability to place in daycare center
<b>Leave for taking care of sick children</b>	Until the entry into elementary school (5 days per annum per child; 10 days for two or more children)
<b>Shorter working hours</b>	Until March 31 of the 3rd grade Employees can reduce daily working hours to a minimum of 6 hours (and a maximum of 8 hours), by taking off 30-minute blocks
<b>Restrictions on overtime</b>	Until the entry into elementary school
<b>Exemption from late-night work</b>	Until the entry into elementary school
<b>Other principal systems</b>	<ul style="list-style-type: none"> <li>• Personnel system being employed under the regional system of no possibility of transfers with movings</li> <li>• Rehiring retirees</li> <li>• A grace period for job rotation</li> <li>• Leave for nursing care</li> <li>• Shorter working hours allowed for nursing care</li> <li>• Paid leave by the hour</li> <li>• Half-day paid leave</li> <li>• Leave before and after maternity</li> <li>• Childcare leave (2 days)</li> <li>• School-visiting day (2 days a year)</li> <li>• Rehiring of former employees who quit for childcare or care-giving reasons</li> <li>• Husband's maternity leave (3 days)</li> </ul>

### ■ Japan Research Institute (JRI)

<b>Parental leave</b>	18 months or maximum of 2 years in case of inability to place in daycare center
<b>Leave for taking care of sick children</b>	Until March 31 of the 6th grade (5 days per annum per child; no upper limit)
<b>Shorter working hours</b>	Employees can choose to work 4, 5, 6 or 7 hours per day until March 31 of the 3rd grade (this system can be combined with flextime).
<b>Restrictions on overtime</b>	Until the entry into elementary school
<b>Exemption from late-night work</b>	For employees who are pregnant or have given birth within previous 12 months
<b>Other principal systems</b>	<ul style="list-style-type: none"> <li>▪ Childcare subsidies</li> <li>▪ Nursing care leave</li> <li>▪ Shorter working hours (for nursing care, etc.)</li> <li>▪ Time off and shorter working hours</li> <li>▪ Days off for nursing care</li> <li>▪ Special leave (for spouse's childbirth)</li> <li>▪ Paid leave for initial 15 days of childcare</li> </ul>

### ■ THE MINATO BANK (Minato)

<b>Parental leave</b>	Until 3 years of age
<b>Leave for taking care of sick children</b>	Until March 31 of the 6th grade (5 days per annum per child; 10 days for two or more children)
<b>Shorter working hours</b>	Employees may select either of shorter working hours for each day of the week (employees may select to work for either 6, 6.5 or 7 hours per day), or working 4 days per week; both cases are applicable until March 31 of the 6th grade
<b>Restrictions on overtime</b>	Until March 31 of the 6th grade
<b>Exemption from late-night work</b>	Until March 31 of the 6th grade
<b>Other principal systems</b>	<ul style="list-style-type: none"> <li>▪ 10 days paid childcare leave</li> <li>▪ Maternity leave (for assisting spouse)</li> <li>▪ Nursing care leave</li> <li>▪ Shorter working hours allowed for nursing care</li> <li>▪ Childcare allowance</li> <li>▪ Rehiring former employees</li> <li>▪ Support for early return to work after childcare leave</li> </ul>

### ■ Kansai Urban Banking Corporation (KUBC)

<b>Parental leave</b>	18 months or maximum of 2 years in case of inability to place in daycare center
<b>Leave for taking care of sick children</b>	Until the entry into elementary school (5 days per annum per child; 10 days for two or more children)
<b>Shorter working hours</b>	Employees may select either of shorter working hours for each day of the week (employees may select to work for 6 or 7 hours per day), or fewer working days per week; both cases are applicable until March 31 of the 1st grade
<b>Restrictions on overtime</b>	Until the entry into elementary school
<b>Exemption from late-night work</b>	Until the entry into elementary school
<b>Other principal systems</b>	<ul style="list-style-type: none"> <li>▪ Paid leave for initial 5 days of childcare</li> <li>▪ Rehiring former employees</li> <li>▪ Nursing care leave</li> <li>▪ Shorter working hours for nursing care</li> <li>▪ Provision of home helpers</li> <li>▪ Counseling service on childcare</li> <li>▪ Paternity and special childcare leave (5 days)</li> </ul>

## SMFG Group Company Employee Data

### Sumitomo Mitsui Banking Corporation (SMBC)

March 31	2014	2015	2016
<b>Number of employees*1</b>	23,926	25,963	26,950
<b>Male</b>	12,493	13,087	13,196
<b>Percentage of total</b>	52.22%	50.41%	48.96%
<b>Female</b>	11,433	12,876	13,754
<b>Percentage of total</b>	47.78%	49.59%	51.04%
<b>Average age</b>	37 yrs 1 mos.	37 yrs 6 mos.	37 yrs 4 mos.
<b>Male</b>	40 yrs 3 mos.	41 yrs 1 mos.	40 yrs 11 mos.
<b>Female</b>	33 yrs 8 mos.	33 yrs 11 mos.	33 yrs 10 mos.
<b>Average years of service</b>	14yrs 0 mos.	13yrs 3 mos.	13yrs 2 mos.
<b>Male</b>	16yrs 7 mos.	16yrs 0 mos.	15yrs 11 mos.
<b>Female</b>	11yrs 2 mos.	10yrs 7 mos.	10yrs 6 mos.
<b>Number of women in managerial positions</b>	480	567	743
<b>Ratio of employees with disabilities (% of total)*2</b>	2.10%	2.07%	2.14%

\*1 The number of full-time employees, including employees seconded to other companies and organizations. The following list of employees is deducted from the total number of employees: executive officers, employees on short-term contracts, part-time employees, employees of temporary employment agencies, and national staff at overseas branches.

\*2 As of March 1 of respective years

April 1	2014	2015	2016
<b>Number of new hires</b>	652	787	893
<b>Number of newly employed female graduates*3</b>	231	256	225
<b>Ratio of newly employed females to total new employees</b>	35.4%	32.5%	25.2%

\*3 Including Sogoshoku staff and Sogoshoku (retail course) employees. Excluding Business Career employees.

Fiscal	2013	2014	2015
<b>Number of employees taking parental leave &lt;Men taking such leave&gt;</b>	1,127 <30>	1,513 <85>	2,188 <466>
<b>Number of career hires</b>	26	88	153

### ■ SMBC Trust Bank (SMBCTB)\*1

\*1 Numbers are shown from fiscal 2015 as there were changes due to the integration of Citibank Japan's retail banking business in November 2015.

March 31	2014	2015	2016
<b>Number of employees*2</b>	-	-	1,786
<b>Male</b>	-	-	719
<b>Percentage of total</b>	-	-	40.26%
<b>Female</b>	-	-	1,067
<b>Percentage of total</b>	-	-	59.74%
<b>Average age</b>	-	-	41 yrs 1 mos.
<b>Male</b>	-	-	42 yrs 5 mos.
<b>Female</b>	-	-	40 yrs 2 mos.
<b>Average years of service</b>	-	-	9yrs 2 mos.
<b>Male</b>	-	-	9yrs 6 mos.
<b>Female</b>	-	-	8yrs 11 mos.
<b>Number of women in managerial positions</b>	-	-	89

\*2 The number of full-time employees, including employees seconded to other companies and organizations. The number excludes employees seconded from other companies and organizations, directors, employees on short-term contracts, part-time employees, and employees of temporary employment agencies.

April 1	2014	2015	2016
<b>Number of new hires</b>	-	-	24
<b>Number of newly employed female graduates</b>	-	-	13
<b>Ratio of newly employed females to total new employees</b>	-	-	54.2%

Fiscal	2013	2014	2015
<b>Number of employees taking parental leave &lt;Men taking such leave&gt;</b>	-	-	106 <1>
<b>Number of career hires</b>	-	-	60

## ■ Sumitomo Mitsui Finance and Leasing (SMFL)

March 31	2014	2015	2016
<b>Number of employees*1</b>	1,606	1,618	1,677
<b>Male</b>	1,019	1,034	1,069
<b>Percentage of total</b>	63.45%	63.91%	63.74%
<b>Female</b>	587	584	608
<b>Percentage of total</b>	36.55%	36.09%	36.26%
<b>Average age</b>	39 yrs 8 mos.	40 yrs 5 mos.	40 yrs 9 mos.
<b>Male</b>	41 yrs 11 mos.	42 yrs 5 mos.	42 yrs 9 mos.
<b>Female</b>	35 yrs 10 mos.	36 yrs 10 mos.	37 yrs 4 mos.
<b>Average years of service</b>	14yrs 9 mos.	15yrs 2 mos.	15yrs 4 mos.
<b>Male</b>	16yrs 9 mos.	17yrs 0 mos.	17yrs 3 mos.
<b>Female</b>	11yrs 2 mos.	11yrs 11 mos.	12yrs 0 mos.
<b>Number of women in managerial positions</b>	24	29	41
<b>Ratio of employees with disabilities (% of total)*2</b>	2.14%	2.22%	2.18%

\*1 The number of full-time employees, including employees seconded to other companies and organizations. The following list of employees is deducted from the total number of employees: employees seconded from other companies and organizations, executive officers, employees on short-term contracts, part-time employees, employees of temporary employment agencies, and full-time employees of affiliates (including overseas subsidiaries).

\*2 As of March 1 of respective years

April 1	2014	2015	2016
<b>Number of new hires</b>	24	41	43
<b>Number of newly employed female graduates</b>	6	11	16
<b>Ratio of newly employed females to total new employees</b>	25.0%	26.8%	37.2%

Fiscal	2013	2014	2015
<b>Number of employees taking parental leave &lt;Men taking such leave&gt;</b>	51 <0>	58 <0>	68 <0>

### ■ SMBC Nikko Securities (SMBC Nikko)

March 31	2014	2015	2016
<b>Number of employees*1</b>	7,764	8,188	8,522
<b>Male</b>	4,939	5,166	5,347
<b>Percentage of total</b>	63.61%	63.09%	62.74%
<b>Female</b>	2,825	3,022	3,175
<b>Percentage of total</b>	36.39%	36.91%	37.26%
<b>Average age</b>	39 yrs 9 mos.	39 yrs 7 mos.	39 yrs 7 mos.
<b>Male</b>	40 yrs 9 mos.	40 yrs 8 mos.	40 yrs 7 mos.
<b>Female</b>	37 yrs 11 mos.	37 yrs 10 mos.	37 yrs 9 mos.
<b>Average years of service</b>	12 yrs 9 mos.	12 yrs 9 mos.	12 yrs 11 mos.
<b>Male</b>	12 yrs 11 mos.	13 yrs 0 mos.	13 yrs 1 mos.
<b>Female</b>	12 yrs 6 mos.	12 yrs 5 mos.	12 yrs 7 mos.
<b>Number of women in managerial positions</b>	75	114	139
<b>Ratio of employees with disabilities (% of total)*2</b>	2.00%	1.94%	2.24%

\*1 The number of full-time employees. The following list of employees is deducted from the total number of employees: executive officers, part-time employees, employees of temporary employment agencies, and national staff at overseas branches.

\*2 As of March 1 of respective years

April 1	2014	2015	2016
<b>Number of new hires*3</b>	516	617	593
<b>Number of newly employed female graduates</b>	224	285	270
<b>Ratio of newly employed females to total new employees</b>	43.4%	46.2%	45.5%

\*2 Professional employees (Classes I-II), FA, and specialists

Fiscal	2013	2014	2015
<b>Number of employees taking parental leave &lt;Men taking such leave&gt;</b>	287 <3>	289 <12>	316 <15>

### ■ SMBC Friend Securities (SMBC Friend)

March 31	2014	2015	2016
<b>Number of employees*1</b>	1,855	1,862	1,769
<b>Male</b>	1,316	1,321	1,261
<b>Percentage of total</b>	70.94%	70.95%	71.28%
<b>Female</b>	539	541	508
<b>Percentage of total</b>	29.06%	29.05%	28.72%
<b>Average age</b>	38 yrs 11 mos.	37 yrs 10 mos.	38 yrs 10 mos.
<b>Male</b>	41 yrs 1 mos.	39 yrs 10 mos.	40 yrs 5 mos.
<b>Female</b>	33 yrs 8 mos.	32 yrs 11 mos.	33 yrs 9 mos.
<b>Average years of service</b>	15yrs 3 mos.	14yrs 11 mos.	14yrs 8 mos.
<b>Male</b>	17yrs 1 mos.	15yrs 11 mos.	16yrs 4 mos.
<b>Female</b>	10yrs 6 mos.	9yrs 8 mos.	10yrs 6 mos.

\*1 The number of full-time employees, including employees seconded to other companies and organizations. The following list of employees is deducted from the total number of employees: executive officers, employees on short-term contracts, part-time employees, employees of temporary employment agencies, and national staff at overseas branches.

April 1	2014	2015	2016
<b>Number of new hires</b>	245	180	239
<b>Number of newly employed female graduates*2</b>	95	71	116
<b>Ratio of newly employed females to total new employees</b>	38.8%	39.4%	48.5%

\*2 Both non-area specified and area specified staff

Fiscal	2013	2014	2015
<b>Number of employees taking parental leave &lt;Men taking such leave&gt;</b>	21 <0>	28 <0>	48 <6>

### ■ Sumitomo Mitsui Card Company (SMCC)

March 31	2014	2015	2016
<b>Number of employees*1</b>	2,367	2,402	2,447
<b>Male</b>	1,176	1,190	1,210
<b>Percentage of total</b>	49.68%	49.54%	49.45%
<b>Female</b>	1,191	1,212	1,237
<b>Percentage of total</b>	50.32%	50.46%	50.55%
<b>Average age</b>	38 yrs 1 mos.	39 yrs 1 mos.	39 yrs 5 mos.
<b>Male</b>	40 yrs 11 mos.	41 yrs 9 mos.	41 yrs 11 mos.
<b>Female</b>	35 yrs 4 mos.	36 yrs 5 mos.	36 yrs 11 mos.
<b>Average years of service</b>	12 yrs 8 mos.	13 yrs 4 mos.	13 yrs 8 mos.
<b>Male</b>	13 yrs 7 mos.	14 yrs 0 mos.	14 yrs 4 mos.
<b>Female</b>	11 yrs 10 mos.	12 yrs 7 mos.	13 yrs 1 mos.
<b>Number of women in managerial positions</b>	26	26	30
<b>Ratio of employees with disabilities (% of total)*2</b>	2.30%	2.24%	2.30%

\*1 The number of full-time employees. This excludes directors, consultants, advisors, part-time employees, affiliated companies (including employees seconded from other companies and organizations), and national staff at overseas branches.

\*2 Total of senior staff and group managers (including credit officers)

\*3 Computed based on single month of March

April 1	2014	2015	2016
<b>Number of new hires</b>	59	72	78
<b>Number of newly employed female graduates</b>	32	39	45
<b>Ratio of newly employed females to total new employees</b>	54.2%	54.2%	57.7%

Fiscal	2013	2014	2015
<b>Number of employees taking parental leave &lt;Men taking such leave&gt;</b>	65 <9>	71 <13>	88 <14>
<b>Number of career hires</b>	16	24	147

### ■ Cedyne Financial Corporation (Cedyne)

March 31	2014	2015	2016
<b>Number of employees*1</b>	3,192	3,213	3,258
<b>Male</b>	1,967	1,962	1,966
<b>Percentage of total</b>	61.62%	61.06%	60.34%
<b>Female</b>	1,225	1,251	1,292
<b>Percentage of total</b>	38.38%	38.94%	39.66%
<b>Average age</b>	41 yrs 2 mos.	41 yrs 7 mos.	41 yrs 9 mos.
<b>Male</b>	43 yrs 4 mos.	43 yrs 9 mos.	44 yrs 0 mos.
<b>Female</b>	37 yrs 6 mos.	38 yrs 0 mos.	38 yrs 4 mos.
<b>Average years of service*2</b>	17 yrs 5 mos.	17 yrs 9 mos.	18 yrs 0 mos.
<b>Male</b>	19 yrs 5 mos.	19 yrs 10 mos.	20 yrs 1 mos.
<b>Female</b>	14 yrs 2 mos.	14 yrs 6 mos.	14 yrs 9 mos.
<b>Number of women in managerial positions</b>	29	38	48
<b>Ratio of employees with disabilities (% of total)*3</b>	1.81%	2.06%	2.10%

\*1 Excluding employees seconded from other companies, employees on short term contracts and part-time employees.

\*2 Retroactive revisions have been made to previous fiscal years due to change in calculation methodology.

\*3 As of March 1 of respective years

April 1	2014	2015	2016
<b>Number of new hires</b>	69	87	114
<b>Number of newly employed female graduates</b>	45	54	68
<b>Ratio of newly employed females to total new employees</b>	65.2%	62.1%	59.6%

Fiscal	2013	2014	2015
<b>Number of employees taking parental leave &lt;Men taking such leave&gt; *4</b>	89 <4>	94 <1>	89 <2>
<b>Number of career hires</b>	27	24	35

\*4 Including employees on short-term childcare leave. Retroactive revisions have been made to previous fiscal years due to change in calculation methodology.

### ■ SMBC Consumer Finance (SMBCCF)

March 31	2014	2015	2016
<b>Number of employees*1</b>	2,531	2,582	2,682
<b>Male</b>	1,426	1,445	1,485
<b>Percentage of total</b>	56.34%	55.96%	55.37%
<b>Female</b>	1,105	1,137	1,197
<b>Percentage of total</b>	43.66%	44.04%	44.63%
<b>Average age</b>	38 yrs 2 mos.	38 yrs 5 mos.	38 yrs 11 mos.
<b>Male</b>	39 yrs 11 mos.	40 yrs 3 mos.	40 yrs 10 mos.
<b>Female</b>	36 yrs 2 mos.	36 yrs 5 mos.	36 yrs 8 mos.
<b>Average years of service</b>	11 yrs 4 mos.	11 yrs 7 mos.	12 yrs 0 mos.
<b>Male</b>	14 yrs 1 mos.	14 yrs 6 mos.	14 yrs 11 mos.
<b>Female</b>	7 yrs 8 mos.	7 yrs 11 mos.	8 yrs 3 mos.
<b>Number of women in managerial positions</b>	39	49	76
<b>Ratio of employees with disabilities (% of total)*2</b>	1.86%	2.09%	2.12%

\*1 The number of full-time employees on a non-consolidated basis, including employees seconded to other companies and organizations. The following list of employees is deducted from the total number of employees: employees seconded from other companies, national staff at overseas branches, executive officers, part-time employees, and employees of temporary employment agencies.

\*2 As of March 1 of respective years

April 1	2014	2015	2016
<b>Number of new hires</b>	40	49	55
<b>Number of newly employed female graduates</b>	26	30	31
<b>Ratio of newly employed females to total new employees</b>	65.0%	61.2%	56.4%

Fiscal	2013	2014	2015
<b>Number of employees taking parental leave &lt;Men taking such leave&gt; *3</b>	68 <1>	66 <1>	81 <1>
<b>Number of career hires</b>	5	3	8

\*3 Including employees who retired during the fiscal year

### ■ Japan Research Institute (JRI)

March 31	2014	2015	2016
<b>Number of employees*1</b>	2,247	2,288	2,397
<b>Male</b>	1,705	1,722	1,796
<b>Percentage of total</b>	75.88%	75.26%	74.93%
<b>Female</b>	542	566	601
<b>Percentage of total</b>	24.12%	24.74%	25.07%
<b>Average age</b>	40 yrs 3 mos.	40 yrs 6 mos.	40 yrs 6 mos.
<b>Male</b>	41 yrs 0 mos.	41 yrs 2 mos.	41 yrs 1 mos.
<b>Female</b>	38 yrs 1 mos.	38 yrs 7 mos.	38 yrs 10 mos.
<b>Average years of service</b>	11 yrs 3 mos.	11 yrs 5 mos.	11 yrs 5 mos.
<b>Male</b>	11 yrs 7 mos.	11 yrs 10 mos.	11 yrs 9 mos.
<b>Female</b>	10 yrs 0 mos.	10 yrs 4 mos.	10 yrs 6 mos.
<b>Ratio of employees with disabilities (% of total)*2</b>	1.98%	2.00%	2.14%

\*1 The number of full-time employees, including employees seconded to other companies and organizations. The following list of employees is deducted from the total number of employees: executive officers, employees on short-term contracts, part-time employees, employees of temporary employment agencies, and national staff at overseas branches.

\*2 As of March 31 of respective years

April 1	2014	2015	2016
<b>Number of new hires</b>	68	86	118
<b>Number of newly employed female graduates*3</b>	17	23	41
<b>Ratio of newly employed females to total new employees</b>	25.0%	26.7%	34.7%

\*3 Including only Sogoshoku employees. Ippanshoku employees are excluded.

Fiscal	2013	2014	2015
<b>Number of employees taking parental leave &lt;Men taking such leave&gt;</b>	35 <7>	49 <12>	53 <10>

## ■ THE MINATO BANK (Minato)

March 31	2014	2015	2016
<b>Number of employees*1</b>	1,928	1,949	1,960
<b>Male</b>	1,215	1,211	1,180
<b>Percentage of total</b>	63.02%	62.13%	60.20%
<b>Female</b>	713	738	780
<b>Percentage of total</b>	36.98%	37.87%	39.80%
<b>Average age</b>	40 yrs 11 mos.	40 yrs 11 mos.	40 yrs 11 mos.
<b>Male</b>	44 yrs 1 mos.	43 yrs 11 mos.	44 yrs 0 mos.
<b>Female</b>	35 yrs 7 mos.	36 yrs 0 mos.	36 yrs 4 mos.
<b>Average years of service</b>	16 yrs 7 mos.	16 yrs 7 mos.	16 yrs 6 mos.
<b>Male</b>	19 yrs 8 mos.	19 yrs 8 mos.	19 yrs 9 mos.
<b>Female</b>	11 yrs 3 mos.	11 yrs 5 mos.	11 yrs 6 mos.
<b>Number of women in managerial positions*2</b>	91	97	109

\*1 The number of full-time employees including employees seconded to other companies or organizations. The following list of employee is deducted from the total number of employees: executive officers, employees on short-term contracts, and part-time employees.

\*2 As of March 31. Number of employees from supervisor level upwards.

April 1	2014	2015	2016
<b>Number of new hires</b>	88	111	130
<b>Number of newly employed female graduates</b>	41	64	71
<b>Ratio of newly employed females to total new employees</b>	46.6%	57.7%	54.6%

Fiscal	2013	2014	2015
<b>Number of employees taking parental leave &lt;Men taking such leave&gt; *3</b>	69 <0>	84 <0>	108 <15>

\*3 Retroactive revisions have been made to previous fiscal years due to change in calculation methodology.

### ■ Kansai Urban Banking Corporation (KUBC)

March 31	2014	2015	2016
<b>Number of employees*1</b>	2,567	2,513	2,546
<b>Male</b>	1,701	1,628	1,603
<b>Percentage of total</b>	66.26%	64.78%	62.96%
<b>Female</b>	866	885	943
<b>Percentage of total</b>	33.74%	35.22%	37.04%
<b>Average age</b>	40 yrs 2 mos.	40 yrs 0 mos.	39 yrs 10 mos.
<b>Male</b>	43 yrs 3 mos.	42 yrs 11 mos.	42 yrs 10 mos.
<b>Female</b>	34 yrs 3 mos.	34 yrs 8 mos.	34 yrs 9 mos.
<b>Average years of service</b>	16 yrs 11 mos.	16 yrs 8 mos.	16 yrs 6 mos.
<b>Male</b>	19 yrs 5 mos.	19 yrs 2 mos.	19 yrs 5 mos.
<b>Female</b>	11 yrs 9 mos.	12 yrs 2 mos.	12 yrs 2 mos.
<b>Number of women in managerial positions*2</b>	138	150	164
<b>Ratio of employees with disabilities (% of total)*3</b>	1.68%	1.85%	2.22%

\*1 The number of full-time employees, including employees seconded to other companies and organizations. The following list of employee is deducted from the total number of employees: executive officers, employees on short-term contracts, part-time employees, and employees of temporary employment agencies.

\*2 As of March 31; however, it is applicable only to those employees with deputy positions or any other positions higher than deputy position

\*3 As of March 1 of respective years

April 1	2014	2015	2016
<b>Number of new hires</b>	118	169	194
<b>Number of newly employed female graduates</b>	70	105	119
<b>Ratio of newly employed females to total new employees</b>	59.3%	62.1%	61.3%

Fiscal	2013	2014	2015
<b>Number of employees taking parental leave &lt;Men taking such leave&gt;</b>	91 <0>	99 <1>	101 <0>

The combined employment ratio for persons with disabilities for the above 11 companies was 2.11% as of March 2016.

## Creating a Corporate Culture which Derives Strength from Diversity (Promoting Diversity)

The SMFG Group works on a Group-wide basis to create workplaces where all can participate and advance regardless of gender, nationality, disability, or other attribute.

### Promotion of Women's Participation and Advancement (SMFG Group)

The SMFG Group has conducted the SMFG joint women's career forum for young female employees every year since 2013 with the aim of giving them a clear focus in their work from early on in their careers. At the forum, lectures and group discussions are conducted on the concerns and working styles of women, and in 2015, approximately 2,000 female employees from Group companies participated.



SMFG joint women's career forum

The Group as a whole is also taking measures based on the Act on Promotion of Women's Participation and Advancement in the Workplace, which went into force in April 2016. The SMFG Group's efforts to promote women's participation and advancement have earned positive recognition from a variety of outside organizations.

Sumitomo Mitsui Financial Group (SMFG)	
 	
Sumitomo Mitsui Banking Corporation (SMB)	Japan Research Institute (JRI)
 	

For more information on the numerical targets and action plans for promoting women's participation and advancement at Group companies, please refer to the following websites.

- ▶ Promotion of Women's Participation and Advancement at SMFG Group Companies

For further information about external recognition of promotion of women's participation and advancement, please refer to the following website.

- ▶ Recognition and Accreditation for SMFG CSR initiatives (Employees)

### Employment of People with Disabilities (SMBC Nikko Securities)

SMBC Nikko Securities has hired athletes with disabilities as full employees to encourage and support their endeavors. They work to raise awareness of the initiatives and sports activities of people with disabilities through sporting events and seminars.

In addition, the new company Nikko MiRun Inc. (Nikko MiRun) was established in April 2015 to further promote the employment of people with disabilities and was certified as a special subsidiary in January 2016. Nikko MiRun provides working conditions that allow people with disabilities to achieve their potential and makes possible working formats that match the characteristics of specific disabilities. The company's goal is to be "a company that enables sustained and dynamic work" and "a company where people can experience the joy of work." These initiatives were selected in March 2016 as Good Practices of the Ministry of the Environment's Principles for Financial Action for the 21st Century. Good Practices are selected by a mutual vote of financial institutions that are signatories to the principles.

## ■ Response to Globalization (SMFG Group)

At SMFG Group, we are working on staff development to support the rapid globalization of our business. SMBC offers a variety of global training programs in which staff from all over the world participate, including a program jointly developed with a world-leading business school. We are also promoting staff exchanges between Japan and overseas to encourage mutual understanding. By creating an environment where employees from different backgrounds work together and inspire each other, we seek to provide services of greater value to our customers.



Global Leadership Training

More information on diversity initiatives at Group companies is available at the following link.

☞ [SMBC: Creating a Corporate Culture which Derives Strength from Diversity \(Diversity Promotion\) \(Japanese only\)](#)

☞ [SMBC Nikko: Diversity & Inclusion \(Japanese only\)](#)

☞ [Cedyna: Creating Pleasant Workplace Environments \(Japanese only\)](#)

☞ [SMBCCF: An open and natural corporate culture](#)

☞ [JRI: Support for Development of the Next Generation, Promotion of Women's Participation and Advancement \(Japanese only\)](#)

## Promotion of Women's Participation and Advancement at SMFG Group Companies

The Act to Advance Women's Success in their Working Life was enforced from April 1, 2016 and the SMFG Group is making a united response with steady progress. As part of these efforts, we have set numerical targets for each Group company in accordance with its actual status, such as increasing the ratio of women in managerial positions.

### Numerical Targets and Action Plan for Appointment of Women in Managerial Positions

	Target		Action Plan
		Current	
<b>Sumitomo Mitsui Banking Corporation (SMBC)</b>	Achieve a ratio of 20% or higher of women in managerial positions by the end of fiscal 2020 *Managerial position: an employee in a position of managing and supervising subordinates	17.2% (As of April 30, 2016)	 <a href="#">Action Plan (Japanese only)</a> 41KB
<b>Sumitomo Mitsui Finance and Leasing (SMFL)</b>	Achieve a ratio of 10% or higher of women in managerial positions by the end of fiscal 2019 *Managerial position: Section leader or higher	4.6% (As of August 1, 2016)	 <a href="#">Action Plan (Japanese only)</a> 61KB
	Maintain a ratio of 30% or more of female new graduate and mid-career hires for general career track positions	20.3% (Fiscal 2015)	
<b>SMBC Nikko Securities (SMBC Nikko)</b>	Achieve 180 (double the number in 2014) or higher women in managerial positions by the end of fiscal 2020	140 (As of July 31, 2016)	 <a href="#">Action Plan (Japanese only)</a> 9KB
<b>SMBC Friend Securities (SMBC Friend)</b>	Achieve a ratio of 15% or higher of women in managerial positions by the end of fiscal 2020 *Managerial position: Section leader or higher	10.5% (As of July 31, 2016)	 <a href="#">Action Plan (Japanese only)</a> 92KB
<b>Sumitomo Mitsui Card Company (SMCC)</b>	Achieve a ratio of 10% or higher of women in managerial positions by the end of fiscal 2020	4.4% (As of April 1, 2016)	 <a href="#">Action Plan (Japanese only)</a> 110KB
<b>Cedyna Financial Corporation (Cedyna)</b>	Achieve a ratio of 12% or higher of women in managerial positions by the end of fiscal 2020 *Managerial position: Section leader or higher	5.9% (As of April 30, 2016)	 <a href="#">Action Plan (Japanese only)</a> 117KB
	Maintain a ratio of 70% or higher for the average number of years of continuous service between men and women for each employment category	70.9% (As of April 30, 2016)	

	Target	Current	Action Plan
<b>SMBC Consumer Finance (SMBCCF)</b>	Achieve a ratio of 15% or higher of female regular employees in managerial positions by the end of fiscal 2016 *Managerial position: Section leader or higher	14.5% (As of March 31, 2016)	 <a href="#">Action Plan (Japanese only)</a>
<b>Japan Research Institute (JRI)</b>	Reduce the average number of overtime hours by 10% through work style reforms	19.1 hours (Fiscal 2015 non-statutory basis)	 <a href="#">Action Plan (Japanese only)</a> <a href="#">130KB</a>
	Achieve paid leave usage rate of 70% or more	65.6% (Fiscal 2015)	
<b>SMBC Trust Bank (SMBCTB)</b>	Achieve a ratio of 35% or higher of women in section leader managerial positions by the end of fiscal 2020	26.6% (As of July 31, 2016)	 <a href="#">Action Plan (Japanese only)</a> <a href="#">133KB</a>
<b>Kansai Urban Banking Corporation (KUBC)</b>	Achieve a ratio of 20% or higher women in managerial positions of by the end of fiscal 2019 *Managerial position: Group leader or higher	16.5% (As of June 30, 2016)	 <a href="#">Action Plan (Japanese only)</a>
<b>THE MINATO BANK (Minato)</b>	Aim to reduce the difference between the average number of years of continuous service of men and women to less than 8 years by the end of fiscal 2020	8.4 years (As of April 1, 2016)	 <a href="#">Action Plan (Japanese only)</a> <a href="#">230KB</a>

For details regarding the initiatives of each Group company, please refer to the following website:

- ▶ [Initiatives at SMFG Group Companies to Create Pleasant Workplaces](#)

## Corporate Governance

### ■ Our Basic Position on Corporate Governance (SMFG Group)

We are working to improve the effectiveness of corporate governance as we consider the strengthening and enhancement of corporate governance to be one of our top priorities in realizing “Our mission.” Further, SMFG has established its “SMFG Corporate Governance Guideline” as its principles and guidelines to be referred to for corporate governance.

For further details on SMFG’s corporate governance structure, please refer to the following link.

 [Corporate Governance \(Basic Position and SMFG’s Corporate Governance System\): Annual Report](#) (PDF:44KB)

 [Securities Report “Yuka Shoken Hokokusho”: Status of Corporate Governance p88-102 \(Japanese only\)](#) (1.99MB)

 [Corporate Governance Guideline](#) (PDF:98KB)

 [Corporate Governance Report \(Japanese only\)](#) (781KB)

### ● Business Mission (SMFG Group)

SMFG and its Group companies are guided by “Our Mission” listed below, which is set forth as the universal guide for the Group management, and consider this mission as the foundation for any corporate activities.

- We grow and prosper together with our customers, by providing services of greater value to them.
- We aim to maximize our shareholders’ value through the continuous growth of our business.
- We create a work environment that encourages and rewards diligent and highly-motivated employees.

### ■ Corporate Governance and Internal Control (SMFG)

#### ● SMFG’s Corporate Governance System

As a holding company with a board of corporate auditors, SMFG has the following system in place.

#### Board of Directors

The Board of Directors makes key decisions on company business execution and oversees the executive officers responsible for execution as they carry out their duties. The chairman of SMFG serves as the chairman of the Board of Directors. The role of the chairman is clearly separated from that of the president, who oversees the overall business operations. The Board has 14 members, of whom five are outside directors (as of June 30, 2016).

The Board has established four discretionary internal committees: the Nominating Committee, the Compensation Committee, the Auditing Committee, and the Risk Committee. Outside directors are appointed to all the committees to promote objective deliberations outside the sphere of business execution. The Nominating Committee, the Compensation Committee, and the Auditing Committee are chaired by outside directors for the purpose of further strengthening the governance function.

#### Corporate Auditors and Board of Corporate Auditors

SMFG has a corporate auditor system whereby independent auditors audit directors’ performance in carrying out their duties in accordance with the policies established by the Board of Corporate Auditors, to which all the auditors belong. Three of the six corporate auditors are outside auditors.

**Management Committee**

The Management Committee is set up under the Board to serve as the top decision-making body. The Management Committee is chaired by the president of SMFG and the directors are appointed by the president. The committee members consider important management issues based on policies set by the Board of Directors, and the president has the authority to make the final decision after considering the committee's recommendations.

For details about SMFG's organization management structure, please see the following link.

[Corporate Management System](#)

For details about the corporate governance of Group companies, please see the following link.

▶ [SMFG Group Companies Initiatives on Corporate Governance](#)

## SMFG Group Companies Initiatives on Corporate Governance

### Sumitomo Mitsui Banking Corporation (SMBC)

#### Corporate Governance

 [Corporate Governance \(SMBC's corporate governance system\): Annual Report 2016](#) (44KB)

#### Compliance Initiatives

##### Basic Stance

In accordance with the basic policies of the SMFG Group, SMBC requires its management and staff to give utmost consideration to people's trust in the bank, abide by laws and regulations, maintain high ethical standards, and act fairly and sincerely. Therefore, SMBC considers that being fully compliant with laws and regulations is one of the most critical issues for management to deal with such as issues related to the Banking Law, the Financial Instruments and Exchange Act, compliance with any other related ordinances, and elimination of anti-social organizations.

For further details on compliance systems and operating methods (creation of compliance manuals, formulation of compliance programs, appointment of compliance officers, etc., establishment of compliance committees, etc.), please refer to the following websites.

 [Compliance Systems at SMBC \(Compliance system and its management\): Annual Report 2016](#) (48KB)

▶ [Initiatives to Improve Security \(SMBC\)](#)

 [SMBC: Identification When Conducting Transactions Based on the act on Prevention of Transfer of Criminal Proceeds \(Initiatives to Prevent Financial Crimes\) \(Japanese only\)](#)

### Sumitomo Mitsui Finance and Leasing (SMFL)

SMFL positions the strengthening of its compliance system as one of the important tasks of management. It has built a company-wide compliance system and conducts continuous activities to ensure that employees are constantly aware of its importance.

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

 [SMFL: Privacy Policy](#)

### SMBC Nikko Securities (SMBC Nikko)

SMBC Nikko Securities fully recognizes that as a company involved in financial markets it has important social responsibilities. In order to deepen the understanding and trust of market participants and the rest of society, the company has positioned compliance as the top priority of management and is working to develop and implement its compliance system.

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

 [SMBC Nikko: Explanatory Materials on Operations and Assets \(Japanese only\)](#)

### SMBC Friend Securities (SMBC Friend)

SMBC Friend Securities has established an internal compliance system to ensure rigorous compliance with laws and regulations and works to enhance independent compliance at its branches.

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

 [SMBC Friend: Compliance Initiatives \(Japanese only\)](#)

### ■ Sumitomo Mitsui Card Company (SMCC)

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SMCC has worked to review and strengthen its business operations by accommodating revisions to the Money Lending Business Act and Installment Sales Act, strengthening complaint handling, and strengthening its rejection of transactions with anti-social forces. In addition, the company works every day to further enhance and strengthen its compliance system with a broad awareness of customer feedback; this includes reinforcing its advance confirmation system for laws and regulations such as the Act on the Protection of Personal Information and Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors and strengthening measures for intellectual property rights.

For such initiatives it is important that all employees not only correctly understand the content but also the objectives and put that awareness into practice. Through seminars held at each branch, tests to confirm comprehension conducted internally online and other initiatives, a system is in place by which individual employees conduct inspections on a daily basis.

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

[☞ SMCC: Compliance \(Japanese only\)](#)

### ■ Cedyne Financial Corporation (Cedyne)

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Cedyne recognizes that its social responsibility is to put its management philosophy into practice in a spirit of sincerity and fairness while building positive, trusting relationships with all stakeholders.

It has therefore established a code of conduct for the purpose of being a company trusted by society to progressively higher degrees. It regards strengthening internal governance systems as the core of corporate governance and works make enhancements to raise corporate value through compliance with laws and regulations, ensuring administrative efficiency and raising management efficiency by way of effective utilization of management resources.

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

Cedyne: Responsible Management (Organization Control)

[☞ Cedyne: Corporate Governance \(Japanese only\)](#)

[☞ Cedyne: Compliance \(Japanese only\)](#)

[☞ Cedyne: Emergency Preparedness \(Japanese only\)](#)

### ■ SMBC Consumer Finance (SMBCCF)

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SMBCCF maintains sound relationships with its customers and other stakeholders. At the same time, it takes a long-term perspective on business, working to maintain continued growth based on a sound financial position by providing timely and accurate disclosure.

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

[☞ SMBCCF: Achieving preparedness in compliance](#)

### ■ Japan Research Institute (JRI)

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#### ● Privacy Policy

As a company involved in surveys and research, consulting, software development, data processing, and other services that handle large quantities of information, JRI recognizes that the safe management of information is an important social responsibility and positions the protection of personal information as one of its top priorities. In addition, the institute has formulated a privacy policy to put this into practice, and officers and employees appropriately handle personal information on the basis of this policy.

For further details, please refer to the following website.

[☞ JRI: Privacy Policy](#)

### ■ THE MINATO BANK (Minato)

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Minato Bank regards the reinforcement and enhancement of corporate governance as one of its most important management issues. Through compliance with its management philosophy and action principles, the bank works to maintain sound management and contribute to the development of local communities.

For further details, please refer to the following website.

[☞ Minato Bank: Corporate Governance \(Japanese only\)](#)

 [Minato Bank: FY2016 Annual Report "Compliance System" \(P.7\)](#) (1.3MB)

### ■ Kansai Urban Banking Corporation (KUBC)

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KUBC considers its most important management priority to be contributing to the development and prosperity of society and achieving stable growth as a company in accordance with its management policies, as well as earning the unshakeable trust of society, customers and shareholders.

For further details, please refer to the following website.

[☞ Kansai Urban Banking: "Corporate Governance," "Compliance Initiatives" \(Japanese only\)](#)

## Rigorous Risk Management and Information Management

### Basic Policies for Risk Management (SMFG Group)

Major change in the business environment for financial institutions, including economic, financial, and regulatory conditions, has increased the importance of promoting appropriate risk-taking practices at a diversified financial services company like SMFG Group as we have developed our businesses and pursue our management and financial targets. We need to be accurate in our perception of the business environment and risk and rigorous in our risk analysis and management.

Business and risk view is shared across the SMFG Group, and we have an overarching Risk Appetite Framework (RAF) for systematic management of risk. RAF guides us in conducting business by clarifying the type and amount of risk we should take to expand earnings.

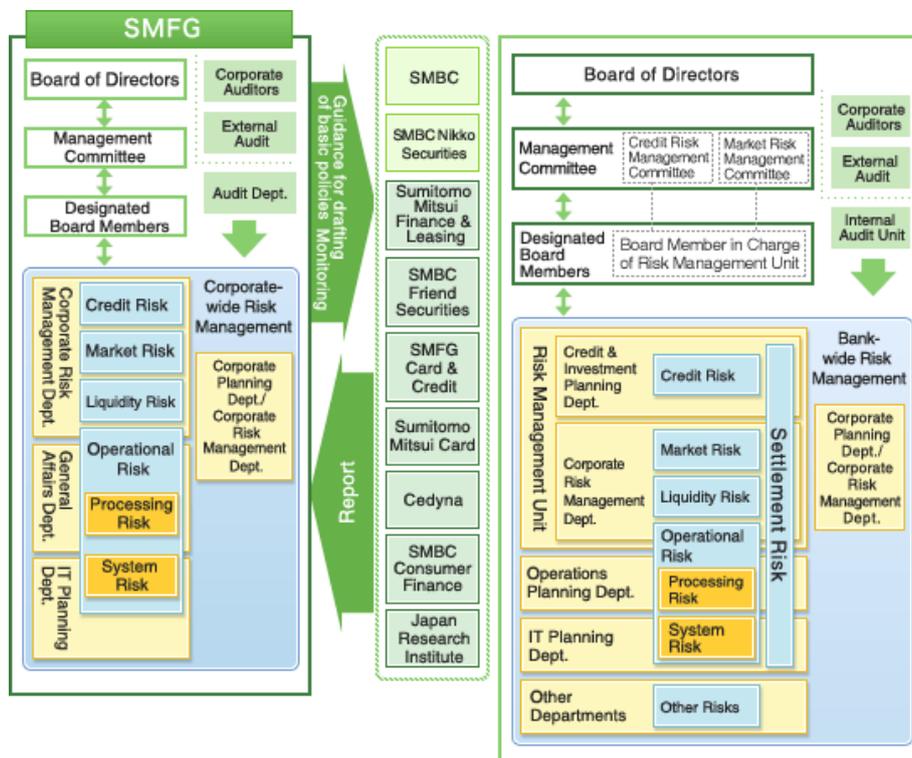
For further details on SMFG's risk management, please refer to the following link.

 [Risk Management: Annual Report 2016](#) (PDF: 53KB)

### Risk Management System (SMFG Group)

Reflecting the importance of risk management, top management plays an active role in the process. The group-wide basic policies for risk management are determined by the Management Committee before being authorized by the Board of Directors.

In line with SMFG's group-wide basic policies for risk management, the functions for managing major risks are consolidated at the Corporate Risk Management Department, and we seek to refine our risk management system by such means as cross-the-board reviews for each risk category. In addition, the Internal Audit Unit audits risk management to verify whether the system is working properly.



## ■ Initiatives to Improve Security (SMBC)

SMBC is conducting a variety of initiatives to further improve security.

### ● Measures for Unauthorized Withdrawals

To prevent unauthorized withdrawals, SMBC has already introduced IC cash cards that perform identification using biometric authentication (finger vein authentication).

Regarding unauthorized withdrawals and deposits, etc. using counterfeit or stolen cash cards, in November 2005 we revised card-related rules and began compensating for damage incurred.

Also, in February 2006, we established the Financial Crime Prevention Department in connection with enforcement of the Deposit Insurance Act to further strengthen measures for damages caused by unauthorized withdrawals, along with various other security measures. For online banking as well, we have taken a number of progressive measures such as introducing one-time passwords, providing electronic signatures for email, and strengthening anti-spyware measures.

We have additionally set up a hotline for reporting unauthorized withdrawals and take consultations not only on damages incurred from counterfeit or stolen cash cards but also damage from unauthorized withdrawals using stolen passbooks or online banking.

Since October 2011, customers have received damages due to passwords being stolen from fake online banking screens displayed by emails disguised to look like SMBC emails and by computer viruses in order to make unauthorized withdrawals via online banking. We have taken measures through our website and other media to appropriately raise customer awareness of these scams and continue working to ensure customers can use banking services with confidence.

### ● Preventing Transfer Fraud

We work to prevent transfer fraud through defensive measures such as raising awareness with posters at branches and messages on ATM screens, for example, giving customers verbal reminders at branches and confirming the content of transactions. A hotline has been set up where customers who have fallen victim to financial crimes can apply to have funds lost through transfer fraud returned to them.

The problem of transfer fraud has been growing more severe in recent years, and we continue to take measures to appropriately raise customer awareness.

### ● SMBC Measures to Improve Security (Examples)

Strengthened password safety measures	<ul style="list-style-type: none"> <li>- Service for changing password at an ATM</li> <li>- Reminders displayed on ATM screens</li> <li>- Rearview mirrors installed on all ATMs</li> <li>- Coated sheets installed on ATM partitions</li> <li>- Polarized light filters installed on all ATM screens</li> <li>- Layout of numbers for inputting passwords on ATMs changed with each use</li> <li>- Guessable passwords disallowed when changing passwords on ATMs</li> </ul>
Strengthened cash card counterfeit prevention measures and identification methods	<ul style="list-style-type: none"> <li>- Issue of IC cash cards</li> <li>- Introduced identification using biometric authentication</li> </ul>

<b>Measures to prevent damage from spreading</b>	<ul style="list-style-type: none"> <li>• Monitoring of abnormal transactions</li> <li>• ATM auto-lock service</li> <li>• Service allowing cash card use limit to be changed</li> <li>• ATM withdrawal notification service</li> <li>• Lowering of cash card use limit</li> </ul>
<b>Compensation for victims</b>	<ul style="list-style-type: none"> <li>• Compensation for damage from counterfeit or stolen cash cards <ul style="list-style-type: none"> <li>- Policy announced February 2005</li> <li>- Established hotline for counterfeit cash card damage March 2005 (Name changed in February 2008 to “Unauthorized Withdrawal Hotline”)</li> </ul> </li> </ul>
<b>Security measures for online banking</b>	<ul style="list-style-type: none"> <li>• Individual messages displayed when passwords have not been changed for a long period of time, etc.</li> <li>• “Easy-to-understand security class” website provided to facilitate understanding of security</li> <li>• Software keyboards introduced</li> <li>• One-time passwords instituted</li> <li>• Notification emails sent when transactions completed</li> <li>• EV SSL server certification introduced</li> <li>• Identification system using automated callback introduced</li> <li>• System introduced on PC Bank Web21 to prevent transfer data tampering</li> <li>• Password cards introduced</li> <li>• Password cards (smartphone app version) introduced</li> <li>• Free distribution of PhishWall Premium antivirus software</li> </ul>
<b>Measures for preventing transfer fraud</b>	<ul style="list-style-type: none"> <li>• Verbal reminders at bank counters and ATM areas to raise awareness</li> <li>• Pamphlets distributed with key points for not becoming a victim</li> <li>• Raising awareness through website, branch posters, ATM screens, etc.</li> </ul>
<b>Help for victims of financial crimes</b>	<ul style="list-style-type: none"> <li>• Hotline for returning funds lost due to transfer fraud set up in December 2007</li> <li>• Began returning funds remaining in financial institution accounts that had been used for criminal purposes to victims of financial crimes in June 2008 based on enforcement of the Criminal Accounts Damage Recovery Act</li> </ul>

More detailed information on security can be found at the following links.

[☞ SMBC: General Security \(Japanese only\)](#)

[☞ Identification when conducting transactions based on the Act on Prevention of Transfer of Criminal Proceeds \(initiatives to prevent financial crimes\) \(Japanese only\)](#)

[☞ Simple, easy-to-understand security classes \(for individual customers\) \(Japanese only\)](#)

[☞ Simple, easy-to-understand security classes \(for corporate customers\) \(Japanese only\)](#)

### ■ Rigorous Information Management (SMFG Group)

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At SMFG and SMFG Group companies, we practice appropriate safekeeping and utilization of our customers' personal data in accordance with the SMFG Privacy Policy that stipulates our policy to protect and to adequately use personal information.

With regard to system for the management of our customers' personal information, the Board of Directors has made important resolutions regarding the protection of customer data. The Board regularly monitors the progress being made in measures to ensure such protection, and orders action to be taken when deemed necessary. We also work constantly to keep abreast of developments in the field of informatization through improvements to SMFG's personal information protection management system and measures taken to enhance information protection.

## Fair Business Practices and Competition, and Response to Anti-social Forces

### Basic Policy on Compliance (SMFG Group)

SMFG group strives to further strengthen its compliance systems to be able to fulfill its public mission and corporate social responsibilities as a financial services group, aiming to become a truly outstanding global corporate group. For compliance policies, SMFG sets forth its "Business Ethics" as the common CSR principles for the Group and has published a Compliance Manual. Moving forward, we consider the strengthening of such Business Ethics and the Compliance Manual as a critical issue for management and vital to ensuring strict adherence by directors and employees.

### Compliance Promotion Structure (SMFG)

As a financial holding company that works to ensure the sound and proper management of business operations for the Group as a whole, SMFG strives to maintain a compliance system that provides the appropriate directions, guidance and monitoring with respect to compliance for all Group companies. At the same time, we are promoting preventive measures to eliminate, promptly detect, and rectify improper behavior. The Board of Directors and Group Management Committee determine important matters pertaining to compliance while also monitoring the progress of related measures and issuing appropriate instruction as and when required.

### Principal Initiatives to Strengthen the Compliance Structure (SMFG Group)

During fiscal 2015, SMFG worked with its Group companies to enhance the following aspects.

- (1) Overseas compliance
- (2) Measures for anti-money laundering and combatting the financing of terrorism
- (3) Group compliance management system
- (4) Reviewing the selling system of risk products

In fiscal 2016, SMFG will work through the Group Compliance Program to focus on the key priorities of enhancing and advancing the Group's overall compliance management strengthening management of compliance aspects at individual Group companies.

At Group companies, we hold monthly compliance study sessions for employees to increase their understanding of compliance. In addition, we regularly disseminate compliance information and develop Internet-based educational materials and so forth to strengthen awareness of compliance aspect in our daily operations.

For details of SMFG's systems, please refer to the following link.

 [Compliance Systems at SMFG \(Basic compliance policies, Group management from the compliance perspective, Reporting system for inappropriate accounting and auditing activities\): Annual Report 2016](#) (48KB)

 [Securities Report "Yuka Shoken Hokokusho": p50-51, 91-95 \(Japanese only\)](#) (1,990KB)

### Initiatives to Prevent Anticompetitive Practices (SMFG Group)

The Compliance Manual of the Sumitomo Mitsui Financial Group stipulates that the Group must conduct competitive activities in the market in a fair manner.

In addition, each Group company lays down rules to facilitate and encourage the observance of all legislation relating to that company's line of business, including laws relating to the prevention of monopolies, truth-in-advertising, subcontracting, and unfair competition prevention, and the managements of all the companies work in various ways to ensure that their operations are in accord with the principles of fair trading and fair competition.

For example, SMBC has published an "Antimonopoly Act Manual," and to prevent unfair trade practices, the bank's management takes steps to ensure that all staff are fully informed regarding such matters as cartels and the abuse of dominant bargaining positions.

## ■ Response to Anti-social Forces (SMFG Group)

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Sumitomo Mitsui Financial Group has set down a basic policy stipulating that all Group companies must unite in establishing and maintaining a system that ensures that the Group allows no relationship whatsoever with anti-social forces or related individuals.

Specifically, the Group strives to ensure that no business transactions are made with anti-social forces or individuals. All contractual documents or terms and conditions must include contracts and terms of transactions clauses regarding the exclusion of anti-social forces from any business relationship, and in the event that it is discovered subsequent to the commencement of a deal or trading relationship that the opposite party belongs to or is affiliated with an anti-social force, we undertake appropriate remedial action by contacting an outside institution specializing in such matters.

### ● Basic Policy for Anti-Social Forces

1. Completely sever any connections or relations with anti-social forces.
2. Repudiate any unjustifiable claims, and do not engage in any "backroom" deals whatsoever. Further, promptly take legal actions as necessary.
3. Appropriately respond to any anti-social forces as an organization by cooperating with outside professional agencies.

## Recognition and Accreditation for SMFG CSR initiatives

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.

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

FTSE4Good Global Index  
 FTSE4Good Global 100 Index  
 ESI (Ethibel Sustainability Index) Excellence Global  
 MSCI Global Sustainability Indexes



2016 Constituent  
 MSCI Global  
 Sustainability Indexes

## ● About SRI

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.

### ■ FTSE 4 Good Global Index Series

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.

[FTSE 4 Good Global Index Series](#)

### ■ Ethibel Sustainability Index

An index compiled by the Belgian SRI company Ethibel

[Forum Ethibel](#)

### ■ MSCI Global Sustainability Indexes

The MSCI Index developed by U.S.-based MSCI Inc. is comprised of companies that obtained high ESG assessments in various industries.

[MSCI ESG Indexes](#)

For other details, please see the link below.

[IR Information](#)

## ■ CSR Awards and Certifications

### ● 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).

Recipient company	Certification	Details
<b>Sumitomo Mitsui Banking Corporation</b>	COPC® CSP Standard Release 5.2	Obtained certification for two call centers in Japan (Kobe, Fukuoka) for the international quality assurance standard “COPC® Standard Release 5.2” as the first Japanese bank to acquire the standards
<b>SMBC Nikko Securities</b>	Obtained certification as 5-Star Recognized Center under the HDI Five-Star Certification Program provided by HDI-Japan.  The logo for HDI Japan's 5-Star Recognized Center program. It features a globe with a white arrow pointing upwards and to the right, surrounded by the text 'RECOGNIZED CENTER' and 'HDI-Japan'. Below the globe are five gold stars and the text 'Benchmark Award'.	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.

#### Awards and Certification Received

Year received	Recipient company	Name of award/commendation	Details of award/commendation
2010	<b>SMBC Nikko Securities</b>	Okinawa Prefecture IT Business Award sponsored by Okinawa Prefecture	Contribution to the development of information and communications industries in Okinawa Prefecture
2010	<b>SMBC Nikko Securities</b>	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	<b>Sumitomo Mitsui Banking Corporation</b>	In the 2012 Japan Investor Satisfaction Study conducted by <a href="#">J.D. Power Asia Pacific</a> , SMBC ranked highest in customer satisfaction in the full-service bank segment.	Levels of customer satisfaction for account offerings, customer interaction, etc.
2013	<b>SMBC Nikko Securities</b>	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 Institute of Information Technology for the second consecutive year since 2014	Initiatives to improve customer satisfaction, contribute to sales activities, and streamline operations using remote channels

Year received	Recipient company	Name of award/commendation	Details of award/commendation
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	Environmental management system ISO 14001  JQA-EMO223	Obtained certification upon meeting requirements for ISO 14001, the international standard for environmental management systems. 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.

### 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

Year received	Recipient company	Name of award/commendation	Details of award/commendation
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
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

Year received	Recipient company	Name of award/commendation	Details of award/commendation
2012	Sumitomo Mitsui Banking Corporation	Nominated for shortlist in the Asia/Pacific segment of the Sustainable Bank of the Year category of the Sustainable Finance Conference & Awards sponsored by the Financial Times (FT) in conjunction with the International Finance Corporation (IFC).	All initiatives to achieve sustainability in the three fields of the environment, society, and governance
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  11820002(07) JISQ15001:2004準拠	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	Named one of the best 25 companies to work for in Japan in the "Great Place to Work" ranking conducted by the Great Place to Work® Institute Japan. 	Internal systems and corporate culture
2013	Sumitomo Mitsui Financial Group	SMFG was designated a "Nadeshiko Brand" by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange as an excellent listed company encouraging women to play active roles in the workplace. 	Initiatives for promoting women's roles in the workplace

Year received	Recipient company	Name of award/commendation	Details of award/commendation
2013	Kansai Urban Banking Corporation	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.	Initiatives for actively encouraging women in the workplace to realize their potential
2014	THE MINATO BANK	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.	Initiatives for actively encouraging women in the workplace to realize their potential and encouraging work-life balance.
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

● Development of the Next Generation

**Awards and Certification Received**

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

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

## Third-Party Opinion

The expectations for financial institutions with respect to meeting international targets such as the historic 2015 Paris Agreement and Sustainable Development Goals (SDGs) adopted by the United Nations General Assembly are even higher now than in the past. The Commitment from the Top at the start is very effective at expressing the strong commitment of Sumitomo Mitsui Financial Group toward fulfilling its role in the development of a sustainable society. Bearing this commitment in mind, I would like to discuss a few points with regard to the CSR Report 2016.



**Kaori Kuroda**  
Executive Director  
CSO Network Japan

### ■ About the Overall Report

Sumitomo Mitsui Financial Group now issues an integrated report, so as of fiscal 2016 the CSR Report is being published online. I think that the SMFG Group's overall initiatives have become easier to understand thanks to the integration of information disclosure of Sumitomo Mitsui Financial Group and SMBC, which conducts most of the CSR activities. Also, in light of the increasing interest in environmental, social, and governance (ESG) information, the creation of an index page for ESG investment makes the report more convenient for readers.

### ■ Strengthening Environmental Initiatives

Sumitomo Mitsui Financial Group has identified "Environment," "Next Generation" and "Community" as priority issues for CSR activities, and I think that noteworthy priority initiatives were conducted for the environment in particular. For example, Assessment Loans, a program for enterprises involved in initiatives such as environment started in 2007, exceeded ¥1.6 trillion, and SMBC has become the first private-sector financial institution in Japan to issue green bonds. In addition, ISO 14001 certification was promoted and the scope of certification extended to SMFG's eight main companies to build an environmental management system for the overall Group. All of these initiatives are highly commendable.

### ■ Stance on Disclosure

I also commend Sumitomo Mitsui Financial Group for promoting disclosure of assessment standards and procedures as well as the number of projects for which environmental and social risk assessments were conducted, in line with the Equator Principles. Stakeholders are also very interested in stakeholder engagement, environmental screenings, reviews and other such initiatives for projects classified as Category A, which are projects with potential significant adverse social or environmental impacts. The scope of disclosure is a matter for continued consideration, and I would like to see the Company adopt the stance of disclosing as much information as possible.

### ■ Social Assessment Indicators

It is commendable that SMFG has disclosed the main assessment indicators used for each priority issue. Compared to the environment, for which indicators are relatively easy to establish, indicators for assessments related to the next generation and the community can pose difficulties. I understand that the projects and programs of each Group company are innovative and appealing, but creating metrics to measure the degree to which they are helping to solve social problems is no easy task. I think that Sumitomo Mitsui Financial Group should express its social ideals as it conceives them and consider the possibility of engaging in initiatives while changing its perspective from what was done to what and how change was effected.

Finally, regarding the SDGs mentioned above, action plans and policies for achievement of the targets are beginning to be formulated in Japan as well. I believe that as a global financial group, SMFG should demonstrate leadership toward sustainable development.

## Guideline Comparison Table

### G4 Sustainability Reporting Guidelines, Global Reporting Initiative

#### GENERAL STANDARD DISCLOSURES

STRATEGY AND ANALYSIS		
Item	Indicator	Reference
G4-1	Statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability	<ul style="list-style-type: none"> <li>▶ Commitment from the Top</li> <li> <a href="#">Annual Report 2016 (To our stakeholders)</a> (PDF:201KB)</li> </ul>
G4-2	Description of key impacts, risks, and opportunities	<ul style="list-style-type: none"> <li>▶ Key Priority Issues for SMFG</li> <li>▶ CSR Management</li> <li> <a href="#">Annual Report 2016 (SMFG's Value Creation Process)</a> (PDF:73KB)</li> <li> <a href="#">Annual Report 2016 (Business Strategy)</a> (PDF:38KB)</li> <li> <a href="#">Annual Report 2016 (Risk Management)</a> (PDF:53KB)</li> </ul>

ORGANIZATIONAL PROFILE		
Item	Indicator	Reference
G4-3	Name of the organization	▶ Company Profile
G4-4	Primary brands, products, and services	▶ Company Profile
G4-5	Location of the organization's headquarters	▶ Company Profile
G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	<ul style="list-style-type: none"> <li> <a href="#">Annual Report 2016 (SMFG's Value Creation Process)</a> (PDF:73KB)</li> </ul>
G4-7	Nature of ownership and legal form	<ul style="list-style-type: none"> <li>▶ Company Profile</li> <li>▶ Basic Stock Information</li> </ul>
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	<ul style="list-style-type: none"> <li>▶ Basic Stock Information</li> <li> <a href="#">Annual Report 2016 (International Directory)</a> (PDF:249KB)</li> <li> <a href="#">Annual Report 2016 (To our stakeholders)</a> (PDF:201KB)</li> </ul>

ORGANIZATIONAL PROFILE		
Item	Indicator	Reference
G4-9	Scale of the organization, including: <ul style="list-style-type: none"> <li>Total number of employees</li> <li>Total number of operations</li> <li>Net sales (for private sector organizations) or net revenues (for public sector organizations)</li> <li>Total capitalization broken down in terms of debt and equity (for private sector organizations)</li> <li>Quantity of products or services provided</li> </ul>	<ul style="list-style-type: none"> <li>Company Profile</li> <li>Financial Highlights</li> <li>Basic Stock Information</li> <li>SMFG Group Company Employee Data</li> </ul>
G4-10	<p>a. Total number of employees by employment contract and gender</p> <p>b. Total number of permanent employees by employment type and gender</p> <p>c. Total workforce by employees and supervised workers and by gender</p> <p>d. Total workforce by region and gender</p> <p>e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors</p> <p>f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries)</p>	<ul style="list-style-type: none"> <li>SMFG Group Company Employee Data</li> </ul>
G4-11	Percentage of total employees covered by collective bargaining agreements	
G4-12	Organization's supply chain	<ul style="list-style-type: none"> <li>Customer Satisfaction-Related Initiatives of SMFG Group Companies</li> </ul>
G4-13	Any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	<ul style="list-style-type: none"> <li>Capital and Stock Data</li> </ul>
Commitment to External Initiatives		
G4-14	Whether and how the precautionary approach or principle is addressed by the organization	<ul style="list-style-type: none"> <li>Environment</li> <li>Participation in Initiatives and Reference Guidelines</li> <li>Initiatives on the Equator Principles</li> </ul>
G4-15	List of externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	<ul style="list-style-type: none"> <li>Participation in Initiatives and Reference Guidelines</li> </ul>
G4-16	List of memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: <ul style="list-style-type: none"> <li>Holds a position on the governance body</li> <li>Participates in projects or committees</li> <li>Provides substantive funding beyond routine membership dues</li> <li>Views membership as strategic</li> </ul>	<ul style="list-style-type: none"> <li>Participation in Initiatives and Reference Guidelines</li> </ul>

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
Item	Indicator	Reference
G4-17	a. List of all entities included in the organization's consolidated financial statements or equivalent documents b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report	▶ SMFG Annual Report 2016 (FY2015)
G4-18	a. Process for defining the report content and the Aspect Boundaries b. How the organization has implemented the Reporting Principles for Defining Report Content	▶ Identifying the Issues
G4-19	List of all the material Aspects identified in the process for defining report content	▶ Priority Issues (Materiality) That SMFG Should Address
G4-20	For each material Aspect, report the Aspect Boundary within the organization	This Table
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	This Table
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements	▶ Editorial Policy / CSR Tool Downloads
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	▶ Editorial Policy / CSR Tool Downloads
STAKEHOLDER ENGAGEMENT		
Item	Indicator	Reference
G4-24	List of stakeholder groups engaged by the organization	▶ CSR at SMFG ▶ CSR Management ▶ Interaction with Stakeholders
G4-25	Basis for identification and selection of stakeholders with whom to engage	▶ CSR at SMFG ▶ CSR Management ▶ Interaction with Stakeholders
G4-26	Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	▶ CSR at SMFG ▶ CSR Management ▶ Interaction with Stakeholders
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting; stakeholder groups that raised each of the key topics and concerns	▶ CSR Performance and Goals ▶ Dialogue with Stakeholders (External Assessment Committee 4: SMBC Environmental Assessment Loan/Private Placement Bond) ▶ Customer Satisfaction ▶ CCF Action Plan

REPORT PROFILE		
Item	Indicator	Reference
G4-28	Reporting period (such as fiscal or calendar year) for information provided	▶ Editorial Policy / CSR Tool Downloads
G4-29	Date of most recent previous report (if any)	▶ Editorial Policy / CSR Tool Downloads
G4-30	Reporting cycle (such as annual, biennial)	▶ Editorial Policy / CSR Tool Downloads
G4-31	Contact point for questions regarding the report or its contents	▶ Editorial Policy / CSR Tool Downloads
GRI Content Index		
G4-32	a. 'In accordance' option the organization has chosen b. GRI Content Index for the chosen option c. Reference to the External Assurance Report, if the report has been externally assured	This Table
Assurance		
G4-33	a. Organization's policy and current practice with regard to seeking external assurance for the report b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided c. Relationship between the organization and the assurance providers d. Whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report	▶ Third-Party Opinion
GOVERNANCE		
Item	Indicator	Reference
Governance Structure and Composition		
G4-34	Governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts	▶ Corporate Governance  <a href="#">Annual Report 2016 (Corporate Governance)</a> (PDF:44KB)
G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	▶ Corporate Governance  <a href="#">Annual Report 2016 (Corporate Governance)</a> (PDF:44KB)
G4-36	Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	▶ Corporate Governance  <a href="#">Annual Report 2016 (Corporate Governance)</a> (PDF:44KB)
G4-37	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body	▶ Corporate Governance  <a href="#">Annual Report 2016 (Corporate Governance)</a> (PDF:44KB)

GOVERNANCE		
Item	Indicator	Reference
Governance Structure and Composition		
G4-38	Composition of the highest governance body and its committees	▶ Corporate Governance  <a href="#">Annual Report 2016 (Corporate Governance)</a> (PDF:44KB)
G4-39	Whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement)	▶ Corporate Governance  <a href="#">Annual Report 2016 (Corporate Governance)</a> (PDF:44KB)
G4-40	Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members	▶ Corporate Governance  <a href="#">Annual Report 2016 (Corporate Governance)</a> (PDF:44KB)
G4-41	<ul style="list-style-type: none"> <li>• Processes for the highest governance body to ensure conflicts of interest are avoided and managed</li> <li>• Whether conflicts of interest are disclosed to stakeholders</li> </ul>	▶ Corporate Governance  <a href="#">Annual Report 2016 (Corporate Governance)</a> (PDF:44KB)
Highest Governance Body's Role in Setting Purpose, Values and Strategy		
G4-42	Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts	 <a href="#">Annual Report 2016 (Corporate Governance)</a> (PDF:44KB)  <a href="#">Annual Report 2016 (Internal Audit System)</a> (PDF:40KB)  <a href="#">Annual Report 2016 (Compliance)</a> (PDF:48KB)
Highest Governance Body's Competencies and Evaluation		
G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	<ul style="list-style-type: none"> <li>▶ Our Mission</li> <li>▶ CSR at SMFG</li> <li>▶ CSR Management</li> </ul>
G4-44	<p>a. Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment</p> <p>b. Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics</p>	<ul style="list-style-type: none"> <li>▶ CSR at SMFG</li> <li>▶ CSR Management</li> </ul>

GOVERNANCE		
Item	Indicator	Reference
Highest Governance Body's Role in Risk Management		
G4-45	a. Highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes b. Whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities	▶ CSR Management
G4-46	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	▶ CSR Management
G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities	
Highest Governance Body's Role in Sustainability Reporting		
G4-48	Highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered	▶ CSR Management
Highest Governance Body in Evaluating Economic, Environmental and Social Performance		
G4-49	Process for communicating critical concerns to the highest governance body	
G4-50	Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them	
Remuneration and Incentives		
G4-51	a. Remuneration policies for the highest governance body and senior executives b. How performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.	 <a href="#">Annual Report 2016 (Compensation)</a> (PDF:351KB)
G4-52	Process for determining remuneration	 <a href="#">Annual Report 2016 (Compensation)</a> (PDF:351KB)
G4-53	How stakeholders' views are sought and taken into account regarding remuneration	 <a href="#">Annual Report 2016 (Compensation)</a> (PDF:351KB)
G4-54	Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country	
G4-55	Ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country	

ETHICS AND INTEGRITY		
Item	Indicator	Reference
G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	<ul style="list-style-type: none"> <li>▶ CSR at SMFG</li> <li>▶ CSR Management</li> </ul>
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines	 <a href="#">Annual Report 2016 (Compliance)</a> (PDF:48KB)
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	 <a href="#">Annual Report 2016 (Compliance)</a> (PDF:48KB)

### ● SPECIFIC STANDARD DISCLOSURES

Item	Indicator	Reference
G4-DMA	(DMA: Disclosures on Management Approach) a. Report why the Aspect is material. Report the impacts that make this Aspect material b. Report how the organization manages the material Aspect or its impacts c. Report the evaluation of the management approach, including <ul style="list-style-type: none"> <li>• The mechanisms for evaluating the effectiveness of the management approach</li> <li>• The results of the evaluation of the management approach</li> <li>• Any related adjustments to the management approach</li> </ul>	<ul style="list-style-type: none"> <li>▶ Key Priority Issues for SMFG</li> <li>▶ Environment</li> <li>▶ Next Generation</li> <li>▶ Community</li> </ul>

ECONOMIC		
Item	Indicator	Reference
ASPECT: ECONOMIC PERFORMANCE		
G4-EC1	Direct economic value generated and distributed	▶ Financial Highlights
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	<ul style="list-style-type: none"> <li>▶ Promoting Environmental Management Integrated with Business</li> <li>▶ Reducing Environmental Impact</li> <li>▶ Managing Environmental Risks</li> <li>▶ Promoting Environmental Businesses</li> </ul>
G4-EC3	Coverage of the organization's defined benefit plan obligations	
G4-EC4	Financial assistance received from government	

ECONOMIC		
Item	Indicator	Reference
ASPECT: MARKET PRESENCE		
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	
ASPECT: INDIRECT ECONOMIC IMPACTS		
G4-EC7	Development and impact of infrastructure investments and services supported	<ul style="list-style-type: none"> <li>▶ Track Record in Project Finance for Renewable Energy Projects Overseas</li> <li>▶ Initiatives on the Equator Principles</li> <li>▶ Key Priority Issues for SMFG</li> <li>▶ Environment</li> <li>▶ Next Generation</li> <li>▶ Community</li> </ul>
G4-EC8	Significant indirect economic impacts, including the extent of impacts	▶ Initiatives on the Equator Principles
ASPECT: PROCUREMENT PRACTICES		
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	
ENVIRONMENTAL		
Item	Indicator	Reference
ASPECT: MATERIALS		
G4-EN1	Materials used by weight or volume	-
G4-EN2	Percentage of materials used that are recycled input materials	-
ASPECT: ENERGY		
G4-EN3	Energy consumption within the organization	<ul style="list-style-type: none"> <li>▶ Reducing Environmental Impact</li> <li>▶ Environmental Impact Data of SMFG Group Companies</li> <li>▶ Promoting Environmental Businesses</li> <li>▶ Performance Data and Goals of SMFG Group Companies</li> </ul>
G4-EN4	Energy consumption outside of the organization	<ul style="list-style-type: none"> <li>▶ Reducing Environmental Impact</li> <li>▶ Environmental Impact Data of SMFG Group Companies</li> <li>▶ Promoting Environmental Businesses</li> <li>▶ Performance Data and Goals of SMFG Group Companies</li> </ul>

ENVIRONMENTAL		
Item	Indicator	Reference
ASPECT: ENERGY		
G4-EN5	Energy intensity	-
G4-EN6	Reduction of energy consumption	<ul style="list-style-type: none"> <li>▶ Reducing Environmental Impact</li> <li>▶ Environmental Impact Data of SMFG Group Companies</li> <li>▶ Promoting Environmental Businesses</li> <li>▶ Performance Data and Goals of SMFG Group Companies</li> </ul>
G4-EN7	Reductions in energy requirements of products and services	<ul style="list-style-type: none"> <li>▶ Reducing Environmental Impact</li> <li>▶ Environmental Impact Data of SMFG Group Companies</li> <li>▶ Promoting Environmental Businesses</li> <li>▶ Performance Data and Goals of SMFG Group Companies</li> </ul>
ASPECT: WATER		
G4-EN8	Total water withdrawal by source	
G4-EN9	Water sources significantly affected by withdrawal of water	-
G4-EN10	Percentage and total volume of water recycled and reused	-
ASPECT: BIODIVERSITY		
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	▶ Initiatives on the Equator Principles
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	▶ Initiatives on the Equator Principles
G4-EN13	Habitats protected or restored	▶ Initiatives on the Equator Principles
G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	-
ASPECT: EMISSIONS		
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	<ul style="list-style-type: none"> <li>▶ Reducing Environmental Impact</li> <li>▶ Environmental Impact Data of SMFG Group Companies</li> </ul>

ENVIRONMENTAL		
Item	Indicator	Reference
ASPECT: EMISSIONS		
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	<ul style="list-style-type: none"> <li>▶ Reducing Environmental Impact</li> <li>▶ Environmental Impact Data of SMFG Group Companies</li> </ul>
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	<ul style="list-style-type: none"> <li>▶ Reducing Environmental Impact</li> <li>▶ Environmental Impact Data of SMFG Group Companies</li> </ul>
G4-EN18	Greenhouse gas (GHG) emissions intensity	
G4-EN19	Reduction of greenhouse gas (GHG) emissions	<ul style="list-style-type: none"> <li>▶ Reducing Environmental Impact</li> <li>▶ Environmental Impact Data of SMFG Group Companies</li> </ul>
G4-EN20	Emissions of ozone-depleting substances (ODS)	-
G4-EN21	NOx, SOx, and other significant air emissions	-
ASPECT: EFFLUENTS AND WASTE		
G4-EN22	Total water discharge by quality and destination	-
G4-EN23	Total weight of waste by type and disposal method	▶ Performance Data and Goals of SMFG Group Companies
G4-EN24	Total number and volume of significant spills	-
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	-
ASPECT: PRODUCTS AND SERVICES		
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	<ul style="list-style-type: none"> <li>▶ Dialogue with Stakeholders (External Assessment Committee 4: SMBC Environmental Assessment Loan/Private Placement Bond)</li> <li>▶ Reducing Environmental Impact</li> </ul>
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	-

ENVIRONMENTAL		
Item	Indicator	Reference
ASPECT: COMPLIANCE		
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	-
ASPECT: TRANSPORT		
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	<ul style="list-style-type: none"> <li>▶ Reducing Environmental Impact</li> <li>▶ Environmental Impact Data of SMFG Group Companies</li> <li>▶ Performance Data and Goals of SMFG Group Companies</li> </ul>
ASPECT: OVERALL		
G4-EN31	Total environmental protection expenditures and investments by type	▶ Promoting Environmental Management Integrated with Business
ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT		
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	-
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	▶ Managing Environmental Risks
ASPECT: ENVIRONMENTAL GRIEVANCE MECHANISMS		
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	
SOCIAL		
LABOR PRACTICES AND DECENT WORK		
Item	Indicator	Reference
ASPECT: EMPLOYMENT		
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	▶ SMFG Group Company Employee Data
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	-
G4-LA3	Return to work and retention rates after parental leave, by gender	▶ SMFG Group Company Employee Data
ASPECT: LABOR/MANAGEMENT RELATIONS		
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	-

SOCIAL		
LABOR PRACTICES AND DECENT WORK		
Item	Indicator	Reference
ASPECT: OCCUPATIONAL HEALTH AND SAFETY		
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	-
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	-
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	-
G4-LA8	Health and safety topics covered in formal agreements with trade unions	▶ Creating a Pleasant Workplace for All Employees (Work-Life Balance)
ASPECT: TRAINING AND EDUCATION		
G4-LA9	Average hours of training per year per employee by gender, and by employee category	-
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	▶ Creating a Pleasant Workplace for All Employees (Work-Life Balance)  <a href="#">Annual Report 2016 (Human Resources)</a> (PDF:97KB)
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	▶ CSR Management
ASPECT: DIVERSITY AND EQUAL OPPORTUNITY		
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	 <a href="#">Annual Report 2016 (SMFG: Board of Directors, Corporate Auditors, and Executive Officers)</a> (PDF:73KB)  <a href="#">Annual Report 2016 (SMBC: Board of Directors, Corporate Auditors, and Executive Officers)</a> (PDF:65KB)  <a href="#">Annual Report 2016 (SMFG Directors and Corporate Auditors)</a> (PDF:171KB)
ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN		
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	-

SOCIAL		
LABOR PRACTICES AND DECENT WORK		
Item	Indicator	Reference
ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES		
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	-
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	-
ASPECT: LABOR PRACTICES GRIEVANCE MECHANISMS		
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	-
HUMAN RIGHTS		
Item	Indicator	Reference
ASPECT: INVESTMENT		
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	-
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	<ul style="list-style-type: none"> <li>▶ Creating a Pleasant Workplace for All Employees (Work-Life Balance)</li> <li>▶ CSR Management</li> </ul>
ASPECT: NON-DISCRIMINATION		
G4-HR3	Total number of incidents of discrimination and corrective actions taken	-
ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	-
ASPECT: CHILD LABOR		
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	<ul style="list-style-type: none"> <li>▶ Participation in Initiatives and Reference Guidelines</li> <li>▶ CSR Management</li> <li>▶ Initiatives on the Equator Principles</li> </ul>

HUMAN RIGHTS		
Item	Indicator	Reference
ASPECT: FORCED OR COMPULSORY LABOR		
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	<ul style="list-style-type: none"> <li>▶ Participation in Initiatives and Reference Guidelines</li> <li>▶ CSR Management</li> <li>▶ Creating a Pleasant Workplace for All Employees (Work-Life Balance)</li> </ul>
ASPECT: SECURITY PRACTICES		
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	-
ASPECT: INDIGENOUS RIGHTS		
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	-
ASPECT: ASSESSMENT		
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	-
ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT		
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	-
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	-
ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS		
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	-
SOCIETY		
Item	Indicator	Reference
ASPECT: LOCAL COMMUNITIES		
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	<ul style="list-style-type: none"> <li>▶ Next Generation</li> <li>▶ Community</li> </ul>
SO2	Operations with significant actual and potential negative impacts on local communities	-
ASPECT: ANTI-CORRUPTION		
SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	

SOCIETY		
Item	Indicator	Reference
ASPECT: ANTI-CORRUPTION		
SO4	Communication and training on anti-corruption policies and procedures	 <a href="#">Annual Report 2016 (Compliance)</a> (PDF:48KB) ▶ Fair Business Practices and Competition, and Response to Anti-Social Forces
SO5	Confirmed incidents of corruption and actions taken	-
ASPECT: PUBLIC POLICY		
SO6	Total value of political contributions by country and recipient/beneficiary	-
ASPECT: ANTI-COMPETITIVE BEHAVIOR		
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	-
ASPECT: COMPLIANCE		
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	-
ASPECT: SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY		
SO9	Percentage of new suppliers that were screened using criteria for impacts on society	-
SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	-
ASPECT: GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY		
SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	-
PRODUCT RESPONSIBILITY		
Item	Indicator	Reference
ASPECT: CUSTOMER HEALTH AND SAFETY		
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	▶ Customer Satisfaction
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	-

PRODUCT RESPONSIBILITY		
Item	Indicator	Reference
ASPECT: PRODUCT AND SERVICE LABELING		
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	-
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	-
G4-PR5	Results of surveys measuring customer satisfaction	▶ Customer Satisfaction
ASPECT: MARKETING COMMUNICATIONS		
G4-PR6	Sale of banned or disputed products	-
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	-
ASPECT: CUSTOMER PRIVACY		
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	-
ASPECT: COMPLIANCE		
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	-

### ● Financial Service Sector Supplement

Item	Indicator	Reference
<b>Sector Specific Aspect: Product Portfolio</b>		
DMA	(DMA: Disclosures on Management Approach) <ul style="list-style-type: none"> <li>• Policies with specific environmental and social components applied to business lines (former FS1)</li> <li>• Procedures for assessing and screening environmental and social risks in business lines (former FS2)</li> <li>• Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions (former FS3)</li> <li>• Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines (former FS4)</li> <li>• Interactions with clients/investees/business partners regarding environmental and social risks and opportunities (former FS5)</li> </ul>	<ul style="list-style-type: none"> <li>▶ Initiatives on the Equator Principles</li> <li>▶ CSR Management</li> <li>▶ Interaction with Stakeholders</li> </ul>
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. Micro/SME/Large) and by sector	▶ Basic Stock Information
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	▶ Support for Next Generation Asset Inheritance and Business Succession
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	▶ Promoting Environmental Businesses
<b>Sector Specific Aspect: Audit</b>		
DMA	(DMA: Disclosures on Management Approach) Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures (former FS9)	▶ Initiatives on the Equator Principles
<b>Sector Specific Aspect: Active Ownership</b>		
DMA	(DMA: Disclosures on Management Approach) Voting policy(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting (former FS12)	<ul style="list-style-type: none"> <li>▶ CSR Management</li> <li>▶ Initiatives on the Equator Principles</li> </ul>
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues	-
FS11	Percentage of assets subject to positive and negative environmental or social screening	-
<b>G4 Aspect: Local Communities</b>		
FS13	Access points in low-populated or economically disadvantaged areas by type	<ul style="list-style-type: none"> <li>▶ Enhance Financial Literacy</li> <li>▶ Contributing to Emerging Countries as a Financial Institution</li> </ul>
FS14	Initiatives to improve access to financial services for disadvantaged people	<ul style="list-style-type: none"> <li>▶ Contribute to Achieving and Developing Safe and Secure Communities</li> <li>▶ Social Contribution Activities at SMFG Group Companies</li> </ul>

● Materiality, GRI Specific Standard Disclosures and Boundary

Materiality		GRI specific standard disclosures	Boundary	
Material issues	Issues we should address		Within the organization	Outside the organization
Environment	Promoting Environmental Management Integrated with Business	Product Portfolio	●	●
		Economic Performance	●	
		Overall	●	
	Reducing Environmental Impact	Energy	●	●
		Emissions	●	●
	Managing Environmental Risks	Product Portfolio	●	●
		Audit	●	●
	Promoting Environmental Businesses	Products and Services	●	●
		Product Portfolio	●	●
	Environment-Related Social Contribution Activities	Biodiversity	●	●
Next Generation	Support for Next Generation Asset Inheritance and Business Succession	Indirect Economic Impacts	●	●
		Product Portfolio	●	●
	Contributing to Emerging Countries as a Financial Institution	Investment	●	●
		Child Labor	●	●
		Forced or Compulsory Labor	●	●
		Local Communities	●	●
	Enhance Financial Literacy	Product and Service Labeling	●	●
Local Communities		●	●	
Community	Support Reconstruction for the Great East Japan Earthquake	Local Communities	●	●
	Contribute to Achieving and Developing Safe and Secure Communities	Indirect Economic Impacts	●	●

Materiality		GRI specific standard disclosures	Boundary	
Material issues	Issues we should address		Within the organization	Outside the organization
Community	Community-Based Activities Led by Officers and Employees	Local Communities	•	•
	Solve Social Issues by Collaborating with NGOs and NPOs			
Key Issues to Be Addressed on a Solid Management Base	Interaction with Stakeholders	Stakeholder Engagement	•	•
		Product Portfolio	•	•
		Active Ownership	•	•
	Customer Satisfaction	Product Responsibility	•	•
		Product and Service Labeling	•	•
		Grievance Mechanisms for Impacts on Society	•	•
	Human Resources Development That Embodies Our Five Values	Training and Education	•	
	Creating a Pleasant Workplace for All Employees (Work-Life Balance)	Diversity and Equal Opportunity	•	
		Employment	•	
	Creating a Corporate Culture which Derives Strength from Diversity (Promoting Diversity)	Occupational Health and Safety	•	
	Corporate Governance	Governance	•	•
	Risk Management	Product Portfolio	•	•
		Audit	•	•
	Rigorous Information Management	Customer Privacy	•	•
Fair Business Practices and Competition	Supplier Assessment for Impacts on Society	•	•	
Response to Anti-social Forces	Occupational Health and Safety	•	•	

## ■ ISO 26000

Core Subjects	Issues	References
Organizational governance		
Organizational governance		<ul style="list-style-type: none"> <li>▶ Commitment from the Top</li> <li>▶ <a href="#">Annual Report 2016 (To our stakeholders)</a> (PDF:201KB)</li> <li>▶ CSR Management</li> <li>▶ Participation in Initiatives and Reference Guidelines</li> <li>▶ CSR Performance and Goals</li> </ul>
Human rights		
1	Due diligence	<ul style="list-style-type: none"> <li>▶ Creating a Pleasant Workplace for All Employees (Work-Life Balance)</li> <li>▶ Participation in Initiatives and Reference Guidelines</li> <li>▶ Initiatives on the Equator Principles</li> </ul>
2	Human rights risk situations	<ul style="list-style-type: none"> <li>▶ Creating a Pleasant Workplace for All Employees (Work-Life Balance)</li> <li>▶ Participation in Initiatives and Reference Guidelines</li> </ul>
3	Avoidance of complicity	<ul style="list-style-type: none"> <li>▶ Creating a Pleasant Workplace for All Employees (Work-Life Balance)</li> <li>▶ Initiatives on the Equator Principles</li> </ul>
4	Resolving grievances	<ul style="list-style-type: none"> <li>▶ Customer Satisfaction</li> <li>▶ Customer Satisfaction-Related Initiatives of SMFG Group Companies</li> </ul>
5	Discrimination and vulnerable groups	<ul style="list-style-type: none"> <li>▶ Creating a Pleasant Workplace for All Employees (Work-Life Balance)</li> <li>▶ Creating a Corporate Culture which Derives Strength from Diversity (Promoting Diversity)</li> </ul>
6	Civil and political rights	<ul style="list-style-type: none"> <li>▶ Creating a Pleasant Workplace for All Employees (Work-Life Balance)</li> </ul>
7	Economic, social and cultural rights	<ul style="list-style-type: none"> <li>▶ Creating a Pleasant Workplace for All Employees (Work-Life Balance)</li> </ul>

Core Subjects	Issues	References
<b>Human rights</b>		
8	Fundamental principles and rights at work	▶ Creating a Pleasant Workplace for All Employees (Work-Life Balance)
<b>Labour Practices</b>		
1	Employment and employment relationships	▶ Creating a Pleasant Workplace for All Employees (Work-Life Balance)
2	Conditions of work and social protection	▶ Creating a Pleasant Workplace for All Employees (Work-Life Balance)
3	Social dialogue	▶ Interaction with Stakeholders
4	Health and safety at work	▶ Creating a Pleasant Workplace for All Employees (Work-Life Balance)
5	Human development and training in the workplace	▶ Creating a Pleasant Workplace for All Employees (Work-Life Balance) ▶ Creating a Corporate Culture which Derives Strength from Diversity (Promoting Diversity)
<b>The Environment</b>		
1	Prevention of pollution	▶ Environment ▶ Reducing Environmental Impact ▶ CSR Activity Performance and Goals of SMFG Companies
2	Sustainable resource use	▶ Reducing Environmental Impact ▶ CSR Activity Performance and Goals of SMFG Companies
3	Climate change mitigation and adaptation	▶ Reducing Environmental Impact ▶ Managing Environmental Risks ▶ Promoting Environmental Businesses
4	Protection of the environment, biodiversity and restoration of natural habitats	▶ Promoting Environmental Businesses
<b>Fair Operating Practices</b>		
1	Anti-corruption	▶ Fair Business Practices and Competition, and Response to Anti-Social Forces

Core Subjects	Issues	References
<b>Fair Operating Practices</b>		
2	Responsible political involvement	▶ Fair Business Practices and Competition, and Response to Anti-Social Forces
3	Fair competition	▶ Fair Business Practices and Competition, and Response to Anti-Social Forces
4	Promoting social responsibility in the value chain	▶ Managing Environmental Risks ▶ Promoting Environmental Businesses
5	Respect for property rights	▶ Fair Business Practices and Competition, and Response to Anti-Social Forces
<b>Consumer Issues</b>		
1	Fair marketing, factual and unbiased information and fair contractual practices	▶ CSR at SMFG ▶ Fair Business Practices and Competition, and Response to Anti-Social Forces
2	Protecting consumers' health and safety	▶ Contribute to Achieving and Developing Safe and Secure Communities
3	Sustainable consumption	▶ Customer Satisfaction
4	Consumer service, support, and complaint and dispute resolution	▶ Customer Satisfaction
5	Consumer data protection and privacy	▶ Rigorous Risk Management and Information Management
6	Access to essential services	▶ Customer Satisfaction
7	Education and awareness	▶ Enhance Financial Literacy
<b>Community Involvement and Development</b>		
1	Community involvement	▶ Community
2	Education and culture	▶ Community
3	Employment creation and skills development	▶ Creating a Pleasant Workplace for All Employees (Work-Life Balance) ▶ Creating a Corporate Culture which Derives Strength from Diversity (Promoting Diversity)

Core Subjects	Issues	References
Community Involvement and Development		
4	Technology development and access	▶ Support for Next Generation Asset Inheritance and Business Succession
5	Wealth and income creation	▶ Support for Next Generation Asset Inheritance and Business Succession
6	Health	▶ Creating a Pleasant Workplace for All Employees (Work-Life Balance)
7	Social investment	▶ Support for Next Generation Asset Inheritance and Business Succession ▶ Solve Social Issues by Collaborating with NGOs and NPOs

### ■ The UN Global Compact

The Ten Principles of the UN Global Compact		References
1. Human Rights		
Principle 1:	Businesses should support and respect the protection of internationally proclaimed human rights; and	▶ Participation in Initiatives and Reference Guidelines ▶ Creating a Pleasant Workplace for All Employees (Work-Life Balance) ▶ Creating a Corporate Culture which Derives Strength from Diversity (Promoting Diversity)
Principle 2:	make sure that they are not complicit in human rights abuses.	▶ Participation in Initiatives and Reference Guidelines ▶ Creating a Pleasant Workplace for All Employees (Work-Life Balance) ▶ Creating a Corporate Culture which Derives Strength from Diversity (Promoting Diversity)
2. Labour		
Principle 3:	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	▶ Creating a Pleasant Workplace for All Employees (Work-Life Balance)
Principle 4:	the elimination of all forms of forced and compulsory labour;	▶ Creating a Pleasant Workplace for All Employees (Work-Life Balance)
Principle 5:	the effective abolition of child labour; and	▶ Creating a Pleasant Workplace for All Employees (Work-Life Balance)

The Ten Principles of the UN Global Compact		References
<b>2. Labour</b>		
Principle 6:	the elimination of discrimination in respect of employment and occupation.	▶ Creating a Pleasant Workplace for All Employees (Work-Life Balance)
<b>3. Environment</b>		
Principle 7:	Businesses should support a precautionary approach to environmental challenges;	▶ Environment - Toward a Sustainable World That All Can Share
Principle 8:	undertake initiatives to promote greater environmental responsibility; and	▶ Promoting Environmental Management Integrated with Business
Principle 9:	encourage the development and diffusion of environmentally friendly technologies.	▶ Promoting Environmental Businesses
<b>4. Anti-Corruption</b>		
Principle 10:	Businesses should work against corruption in all its forms, including extortion and bribery.	▶ Key Issues to Be Addressed on a Solid Management Base ▶ Fair Business Practices and Competition, and Response to Anti-Social Forces



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