

【NEWS RELEASE】

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Sumitomo Mitsui Banking Corporation

Persefoni AI, Inc.

IBM Japan, Ltd.

SUMITOMO MITSUI BANKING CORPORATION, PERSEFONI, AND IBM JAPAN
HAVE SIGNED AN AGREEMENT TO ADDRESS DECARBONIZATION

～Sumitomo Mitsui Banking Corporation, Persefoni and IBM Japan have established a business and service provision agreement to accelerate efforts to achieve Net-Zero Emissions～

TOKYO, August 10 2022 --- Sumitomo Mitsui Banking Corporation (“SMBC”, President and CEO: Makoto Takashima), Persefoni AI, Inc. (“Persefoni”, CEO: Kentaro Kawamori), and IBM Japan, Ltd. (“IBM Japan”, GM and President: Akio Yamaguchi, headquartered in Tokyo, Japan) announced today that they have entered into a strategic collaboration that will provide Persefoni’s leading Climate Management and Accounting Platform, IBM Japan’s deep systems integration experience, and SMBC’s unprecedented leadership position to high profile companies throughout Japan. This collaboration enables customers to analyze and support their global carbon footprint management. In addition to this collaboration, SMBC is also announcing that it is the first multinational financial institution in Japan to sign a multi-year contract with Persefoni to use the Persefoni CMAP for SMBC’s own operations.

1. Background

The Task Force on Climate-Related Financial Information Disclosure (TCFD), which provides the international climate change disclosure framework, represents guidelines which requires for companies to disclose their action plan towards decarbonization. Since April, some Tokyo Stock Exchange listed companies have been required to disclose information substantially in line with the TCFD. On the other hand, the TCFD requires the calculation of direct GHG emissions from the combustion of fuel by the business itself as defined in Scope 1, indirect emissions from the use of energy supplied by other companies as defined in Scope 2 and the fifteen upstream and downstream supply chain categories defined as Scope 3 requires a large amount of data collection, sophisticated calculations and formulas. For this reason, there is a growing need for a digitally enabled service to meet regulatory and investor compliance requirements.

2. Strengths in service offerings

Persefoni provides a Climate Management and Accounting Platform (CMAP) which incorporates emission factors globally available and specific to each region and can calculate Scope 1, 2, and 3 emissions in accordance with the GHG Protocol and the Partnership for Carbon Accounting Financials (PCAF). The CMAP has strengths in the calculation especially for Category 11 (emissions from the use of sold products and services) and Category 15 (emissions from operation of investments and loans) of Scope 3. The CMAP

also includes the Climate Trajectory Modeling module that provides SBT-compliant target-setting management and helps customers create digital models to assist in calculating net-zero plans. Through the agreement, the CMAP will be delivered to the Japanese marketplace with speed, where the demand for an automated carbon accounting solution is rapidly increasing.

IBM provides a tool, developed by data scientists through application of the IBM Garage methodology, to support the automatization of the data input process into Persefoni and the emission calculation output and reporting processes. This tool is developed on an integrated one-stop data application infrastructure that supports the large amount of data gathering and processing required for emissions calculation, which usually require a large amount of resources from the companies.

Since the spring of 2022, SMBC and IBM Japan have been providing climate change risk and opportunity analysis services to support corporate climate change disclosure while collaborating with The Climate Service, Inc. Through the strategic collaboration with Persefoni, SMBC and IBM Japan will be able to deliver a comprehensive decarbonization solution which includes from carbon footprint management to climate change risk and opportunity analysis for customers.

3. Introduction of Persefoni platform in SMBC

Critical to SMBC's selection of Persefoni's CMAP, the Persefoni platform enables the emission management in Japan domestically as well as globally. SMBC is confident that the Persefoni platform is the best software to tackle the challenges about emission management, such as significantly complicated calculation, various emission factors, and comprehensive emission control on a global basis that multinational companies like SMBC are facing. SMBC's "SMBC Group GREEN Innovator" program will facilitate to support customers in resolving management issues related to various sustainability initiatives and SMBC will continue to contribute to the realization of sustainability in order to realize a decarbonized society.

About Persefoni

Persefoni's Climate Management & Accounting Platform (CMAP) provides businesses, financial institutions, and governmental agencies the software fabric for managing their organization's climate related data and performance with the same level of confidence as their financial reporting systems. The company's software solutions enable users to calculate their carbon footprint, perform climate trajectory modeling aligned to temperature rise scenarios set forth by the Paris agreement, and benchmark their impact by region, sector, or peer groups.

For more information about Persefoni, please visit <https://persefoni.com/>.

About IBM Japan

IBM Japan is the Japanese entity of IBM Corporation, which is operating in more than 175 countries around the world. It supports clients' business transformation and digital transformation through a full range of services, from basic research and business consulting to IT system development and maintenance. For more

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About SMBC

SMBC Group, including SMBC, is committed to achieving net-zero GHG by SMBC Group's own GHG emissions by 2030, also entire investment and loan portfolio by 2050, SMBC has strengths in one of the largest operating bases in Japan, speed of strategy implementation, and the ability to provide financial services through a leading group company. Using those strengths, we diligently support our customer's challenges towards decarbonization.

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