



SUMITOMO MITSUI
BANKING CORPORATION
MALAYSIA BERHAD



Climate-related
Disclosure
2026



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About This Report

Reporting Scope

Reporting Period

Reporting Framework

Board Responsibility Statement

About This Report

a) Reporting Scope

The scope of this report covers Sumitomo Mitsui Banking Corporation Malaysia Berhad's ("SMBCMY" or "the Bank") operations, unless otherwise stated. SMBCMY occupies an office premise located at Integra Tower in Kuala Lumpur, Malaysia.

b) Reporting Period

This report covers disclosures for the financial year ended 31 March 2026 (FYE2026) which is from 1 April 2025 to 31 March 2026, unless otherwise stated.

c) Reporting Framework

This report was prepared based on the following frameworks and standards:

- Task Force on Climate-related Financial Disclosures ("TCFD") Application Guide for Malaysian Financial Institutions which was issued on 29 June 2022 by the Joint Committee on Climate Change ("JC3")
- The Greenhouse Gas ("GHG") Protocol: Corporate Accounting and Reporting Standard (2004)

d) Board Responsibility Statement

To ensure credible and balanced reporting, this report has been reviewed by SMBCMY's Sustainability Committee and Risk Management Committee before it was recommended to the Board of Directors for approval.

The scope of this report covers Sumitomo Mitsui Banking Corporation Malaysia Berhad's ("SMBCMY" or "the Bank") operations.





Introduction

Who We Are and What We Do

About SMBC Group

Introduction

a) Who We Are and What We Do

Sumitomo Mitsui Banking Corporation Malaysia Berhad [Company Number: 201001042446 (926374-U)] is a public limited company incorporated and domiciled in Malaysia operating under a full banking license awarded by Bank Negara Malaysia ("BNM") in 2010 and commenced its business in April 2011. The Bank is principally engaged in full-fledged wholesale and institutional banking and its related financial services. In 2014, SMBCMY established an Islamic Finance unit to provide Islamic Finance services.

The immediate and ultimate holding companies of the Bank are Sumitomo Mitsui Banking Corporation ("SMBC") and Sumitomo Mitsui Financial Group, Inc. ("SMFG") respectively. Both companies are incorporated in Japan.

b) About SMBC Group

Headquartered in Tokyo, Sumitomo Mitsui Banking Corporation is a leading global financial institution and a core member of Sumitomo Mitsui Financial Group ("SMBC Group"). Built upon our rich Japanese heritage since 1876, we put our customers first and provide seamless access across the globe.

SMBC is one of the largest Japanese banks by assets with strong credit ratings across our global integrated network spanning 39 countries and territories, 15 of which are in the Asia Pacific region. We work closely as one SMBC Group to offer personal, corporate and investment banking services to meet the needs of our customers. With sustainability embedded within our strategy and operations, we are committed to creating a society in which today's generation can enjoy economic prosperity and well-being and pass it on to future generations.

Sumitomo Mitsui Banking Corporation Malaysia Berhad is principally engaged in full-fledged wholesale and institutional banking and its related financial services. In 2014, the Bank established an Islamic Finance unit to provide Islamic Finance services.





Management Commentary

Management Commentary



"FYE2026 marks another important step in our climate journey, as we continue to enhance governance, strengthen risk management and support clients through sustainable finance solutions. Together, these efforts reinforce our commitment to responsible growth and a more resilient future."

- **Mr Atsuhide Shiojiri, President & Chief Executive Officer, SMBCMY**

FYE2026 represents a further milestone in SMBCMY's continued efforts to strengthen climate-related governance, strategy, risk management and disclosure practices.

Guided by the TCFD Application Guide for Malaysian Financial Institutions and the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004), the Bank continued to embed climate-related considerations into decision-making processes, while aligning its approach with SMBC Group's broader sustainability agenda and Malaysia's transition towards a lower-carbon economy.

During the year, SMBCMY enhanced Board and senior management oversight of sustainability and climate-related matters through clearer delineation of responsibilities across risk, business and sustainability functions. This strengthened governance framework supports more effective evaluation of climate-related risks and opportunities and promotes accountability across the organisation.

Building on progress made in prior years, the Bank further enhanced its climate risk assessment methodologies, including scenario analysis, portfolio exposure assessment and client engagement processes. These enhancements support a more comprehensive understanding of transition and physical risks across key sectors within the Malaysian portfolio.

In parallel, SMBCMY continued to expand its sustainable finance offerings to support clients in mobilising capital towards decarbonisation technologies, renewable energy, energy efficiency solutions and broader sustainability-linked initiatives. These efforts are consistent with SMBC Group's medium-to long-term net zero ambitions and reflect the Bank's commitment to contributing meaningfully to Malaysia's climate transition.



Section 1: Governance

- 1.1 Board Oversight of Sustainability and Climate-Related Matters
- 1.2 Sustainability Governance Structure including Climate-Related Matters at the Management Level
- 1.3 Sustainability and Climate-Related Board Credentials
- 1.4 Sustainability and Climate-Related Capability Building
 - a) Board Capability Building
 - b) Senior Management and Employee Capability Development
- 1.5 Sustainability and Climate-Related Discussions in Board Meetings
- 1.6 Sustainability and Climate-Linked Remuneration
- 1.7 Integrating Climate Risk Management into Our Three Lines of Defence

Section 1: Governance

1.1 Board Oversight of Sustainability and Climate-Related Matters

The SMBCMY Board of Directors is updated on sustainability and climate-related matters through quarterly reporting by the Chief Sustainability Officer (“CSO”), who concurrently serves as Deputy President, at Board meetings. In addition, progress relating to the Climate Risk Stress Test (“CRST”) is tabled to the Board for deliberation, enabling the Board to exercise oversight over material sustainability and climate-related developments.

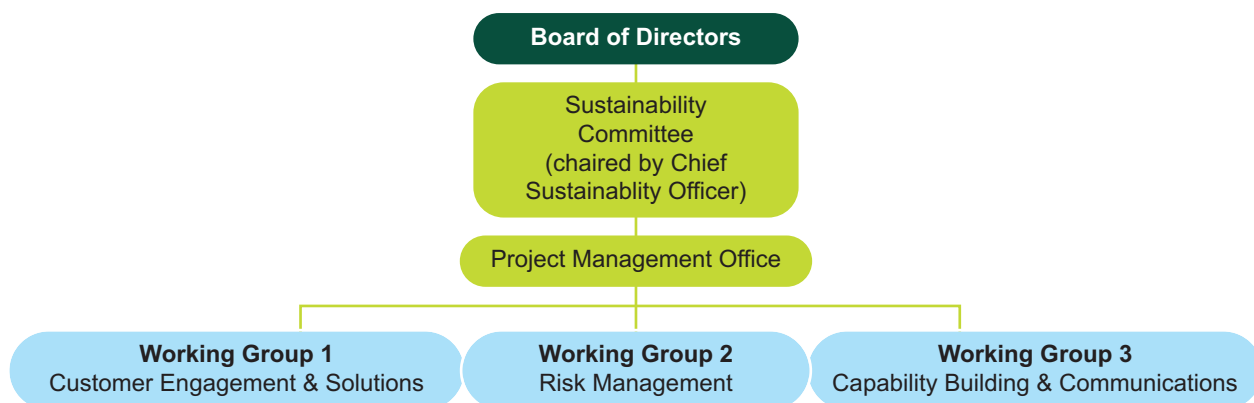
Progress relating to the Climate Risk Stress Test (“CRST”) is tabled to the Board for deliberation, enabling the Board to exercise oversight over material sustainability and climate-related developments.

1.2 Sustainability Governance Structure including Climate-Related Matters at the Management Level

The Sustainability Committee was established in November 2022 as SMBCMY’s highest executive body for sustainability matters. At the same time, the CSO role was established to oversee sustainability-related initiatives across the Bank. To support the CSO and the Sustainability Committee, a Project Management Office (“PMO”) and three working groups were formed. The PMO oversees governance and strategy matters, while Working Group 1 is responsible for client engagement and the development of sustainability solutions, Working Group 2 oversees climate risk management, and Working Group 3 supports capability building and communication initiatives for employees.

The key roles and responsibilities of the Sustainability Committee include the following:

Sustainability Committee	
1.	Establishes sustainability-related strategies and solutions of SMBCMY for clients;
2.	Establishes and supervises the governance framework of SMBCMY in relation to environmental risk management;
3.	Establishes sustainability-related strategies of SMBCMY pertaining to capability building;
4.	Establishes sustainability-related strategies of SMBCMY pertaining to internal and external communication plan, including disclosures made in accordance with the recommendations of the TCFD; and
5.	Monitors and addresses exceptions to the Environmental Risk Management Framework in SMBCMY.



▲ SMBCMY's corporate climate-related governance structure.

The Sustainability Committee is chaired by the SMBCMY CSO. Within SMBCMY, the Deputy President currently also serves as the CSO. The role of the CSO includes the following:

Chief Sustainability Officer

1. Coordinates the overall promotion of sustainability initiatives including environmental risk management in SMBCMY;
2. Develops and promotes the sustainability agenda and strategy of SMBCMY;
3. Ensures clear communication and cascading of the strategy and internal climate-related targets within SMBCMY; and
4. Supports the Board and Senior Management for sustainability-related matters.

1.3 Sustainability and Climate-Related Board Credentials

Recognising the increasing importance of sustainability-related initiatives and climate-related risks, the Board has taken steps to ensure that it maintains appropriate skills and knowledge in these areas. Sustainability and climate-related competencies are incorporated into the Board's effectiveness evaluation and the assessment of individual directors' skillsets through the Board Skills Matrix.

Based on the Board effectiveness evaluation for FYE2026, the Board was assessed to have sufficient understanding, knowledge and skills in sustainability matters relevant to the Bank and its business, including climate-related risks and opportunities. Each Director was also assessed to possess the sustainability-related competencies reflected in the Board Skills Matrix.

The Board currently has five members, comprising one Independent Non-Executive Chairman, three Independent Non-Executive Directors and one Executive Director. The Board has a majority of Independent Directors which complies with BNM's Policy Document on Corporate Governance. The profile of each Board member can be obtained from SMBCMY's financial statements for the financial year ended 31 March 2026.

1.4 Sustainability and Climate-Related Capability Building

SMBCMY is committed to strengthening internal capabilities to ensure that the organisation is equipped to address sustainability and climate-related risks in line with global best practices and regulatory expectations. The Bank actively enhances the competencies of its Board, senior management and employees to support effective governance, strategic decision-making and management of climate-related risks.

The Bank's Policy on Climate-Related Disclosures requires all personnel involved in preparing climate-related disclosures to maintain adequate climate-related knowledge, skills and awareness, reflecting the Bank's commitment to accurate, reliable and transparent reporting.

a) Board Capability Building

SMBCMY ensures that the Board is equipped with relevant sustainability and climate-related expertise to effectively oversee climate-related risks and opportunities. Board members participate in training, covering various topics relating to sustainability. This continuous upskilling supports the Board in discharging its oversight responsibilities and guiding the Bank's climate-related strategic direction.

b) Senior Management and Employee Capability Development

The Bank has embedded sustainability and climate-related skillsets into its Competency Framework. In particular, the framework is designed to:

- Equip senior management with the capability to integrate climate-related risks into business strategy, risk management and day-to-day decision-making.
- Guide employees in developing the competencies required to support client engagements, internal risk assessments, sustainability reporting, and the Bank's transition plans.

The Board and employees are expected to continually enhance their proficiency in the following key areas:

Key Areas	Competencies
Sustainability Strategy	Employees are expected to understand SMBC Group's and SMBCMY's sustainability strategy, including the Bank's approach to climate-related risks, opportunities and transition planning.
Our Clients	Employees are expected to develop the knowledge and capabilities required to support clients in advancing their sustainability and climate transition objectives.
Our Solutions	Employees are expected to understand, introduce and propose sustainable finance solutions that support clients' climate and sustainability-related needs.
Our Business	Employees are expected to embed sustainability considerations, climate-related risk awareness and responsible business practices across the Bank's operations and decision-making processes.
Our Operations	Employees are expected to support the Bank's operational emissions reduction efforts, including the Group's objective to achieve net zero Scope 1 and Scope 2 emissions by 2030 or earlier and net zero financed emissions for the investment and loan portfolio by 2050.
Our Employees	Employees are expected to integrate sustainability awareness into their daily responsibilities and contribute to the Bank's climate-related objectives through informed and responsible actions.
Our Board of Directors	Board members are expected to maintain the competencies necessary to oversee climate-related risks and opportunities and to guide the Bank's business strategy, governance and risk management response.

In FYE2026, the Directors of SMBCMY attended internal and external training programmes related to sustainability and climate-related risks, amongst others, as follows:

- Sustainable Finance for Climate - Sustainability Accounting Standards organised by Ernst & Young.
- Climate/sustainability-related training for the Board and senior management organised by SMBCMY.

In FYE2026, the senior management¹ of SMBCMY attended various training programmes related to sustainability and climate-related risks, as follows:

Programme	Channel	Course overview
Certificate in Climate Risk ("CICR")	AICB-Online	Developed by the Chartered Body Alliance, comprising the Chartered Banker Institute ("CBI"), UK; the Chartered Insurance Institute ("CII"), and the Chartered Institute for Securities & Investment ("CISI"). It encompasses a wide range of developments in climate change and its impacts, the rapidly evolving policy and regulatory landscape relating to climate risks, and the substantial progress in finance sector practice in addressing climate and broader sustainability risks. The CICR programme aims to develop the learner's professional knowledge, understanding and skills relating to climate change, climate risk and sustainable finance, with a view to supporting customers, clients, colleagues, and communities with the transition to a sustainable, low-carbon world.
Climate Change & Sustainable Finance	Moody-Online	The programme equips financial services professionals with knowledge to assess climate-related risks, regulatory developments and sustainable finance opportunities.
ESG, Climate Risk Management and Climate Change and Principle-Based Taxonomy ("CCPT")	In-house-Classroom	This programme aims to provide participants with an understanding of the key elements, features and requirements outlined under the CCPT. The impact of climate change which manifests in various dimensions and influences an FI's business operations will be discussed together with the CCPT's key elements that should be embedded within the due diligence of customers. It will dive into the CCPT's framework and structure of climate change principles and its relevance to FIs. Climate change challenges on FIs will also be examined including its mitigation and adaptation strategies in developing a sustainability-focused strategy with an assessment of environmental issues in specific sectors. Understanding the CCPT and how to apply it within the Bank will also be examined and discussed.

¹ Senior management of SMBCMY refers to:

(1) The President/CEO; and

(2) Deputy CEO ("DCEO"), Deputy President ("DP"), Head of Risk Management/Co-Chief Risk Officer ("Co-CRO"), Head of Internal Control ("HIC"), Head of Internal Audit Department/Chief Internal Auditor ("CIA"), Head of Compliance Department/Chief Compliance Officer ("CCO"), Head of CBAP MY (BP2) ("HCBMY"), Head of Treasury ("HT"), Chief Information and Security Officer ("CISO"), Head of Reporting ("HOR"), Alternate Head of Reporting ("AHOR"), Head of Information Technology ("HIT"), Chief Sustainability Officer ("CSO"), Head of Credit Management ("HCM"), and Chief Integrity and Governance Officer ("CIGO") (Collectively referred to as "Senior Officers")

Programme	Channel	Course overview
FY25 Senior Management Training on Sustainability Risk Management	e-learning	This course provides a comprehensive overview of sustainability in the finance sector, beginning with core principles, relevant policies, regulations, and disclosure requirements, along with SMBC's climate commitments and sustainable finance targets. It then explores various sustainability risks, including environmental, social, and governance factors. The course also covers sustainability governance, focusing on board responsibilities, stakeholder expectations, internal controls, risk management frameworks, and the development of mitigation plans. Finally, practical case studies on governance challenges and sustainability incidents are examined to reinforce learning and application.
APAC 2025 Environmental and Social Risk Management Training (SMBCMY)	e-learning	- The importance of environmental and social ("E&S") risk management from the viewpoint of credit risk and reputational risk - Expected actions of financial institutions ("FI") in response to growing public awareness of E&S issues - E&S risk management-related regulatory expectations and market practices in Singapore and the wider Asia Pacific ("APAC") region - E&S risk management policies and procedures established by the head office as well as those put in place by SMBC APAC - Regulatory guidelines that apply to countries in the APAC region and the local policies instated to align with regulators' expectations

1.5 Sustainability and Climate-Related Discussions in Board Meetings

Since June 2024, updates on sustainability-related matters, including Climate Risk Management and Scenario Analysis, have been provided to the Board on a quarterly basis. The updates facilitate Board oversight and deliberation on sustainability and climate-related matters.

1.6 Sustainability and Climate-Linked Remuneration

SMBCMY recognises the importance of aligning remuneration for the Board, excluding Independent Directors, and senior management with performance against sustainability and climate-related objectives. The Bank's Balanced Scorecard provides a holistic view of performance, incorporating indicators relating to financial performance, sustainable growth initiatives, management and compliance.

Senior management is assessed against the Bank's sustainability and climate-related key performance indicators, with a weighting of between 10% and 15% under the Balanced Scorecard. The Scorecard integrates sustainability initiative goals with risk and compliance objectives to support adherence to local regulatory requirements, including climate risk management policies. This approach is cascaded across the organisation through departmental and individual performance objectives and informs the allocation of the variable bonus pool based on annual performance outcomes.



1.7 Integrating Climate Risk Management Into Our Three Lines of Defence

The Bank manages climate-related risks through a structured governance framework aligned with its Risk Management Framework. Roles and responsibilities are defined in accordance with the Three Lines of Defence model:

First Line of Defence:

The first line comprises business units and operations functions that are responsible for day-to-day risk management activities, including the identification and management of climate-related risks within their respective areas.

Second Line of Defence

Risk and compliance functions provide independent oversight of the first line's risk management activities. These functions help ensure that appropriate policies, procedures and controls are in place and that climate-related risks are integrated into the Bank's broader risk management strategy.

Third Line of Defence

Internal Audit provides independent assurance on the effectiveness of climate risk management practices and governance arrangements, supporting continued alignment with the Bank's overall risk management framework.

Currently, SMBCMY is primarily focused on credit risk, which is deemed material to SMBCMY's operations, whereas the other risks, including operational risk, market risk, liquidity risk and reputational risk, are considered immaterial to the Bank. Going forward, the Bank plans to assess climate impacts and integrate risk management processes related to these other principal risks.

The Bank plans to assess climate impacts and integrate risk management processes relating to principal risks such as operational risk, market risk, liquidity risk and reputational risk.



Section 2: Strategy

- 2.1 Our Approach to Transition to Net Zero
- 2.2 Climate-Related Risks and Opportunities - Impacts and Strategic Response

Section 2: Strategy

2.1 Our Approach to Transition to Net Zero

SMBCMY's approach to the transition to net zero is aligned with SMBC Group's strategy for managing climate-related risks and opportunities.

The transition plan is structured around five components: Foundations, Governance, Implementation Strategy, Engagement Strategy, and Metrics and Targets, as illustrated in the following table:

GFANZ Net-zero Transition Plans Index

Component	Item	Main content
Foundations	Corporate policy on response to climate change and approach to initiatives	- Establishment & Revisions of the SMBC Group Statement on Social Value Creation and Group Environmental Policy - We aim to achieve net zero for our operations by 2030 and for our investment and loan portfolio by 2050
	Strengthening governance for climate change response	- Supervision by the Board of Directors and internal committees, including the Sustainability Committee - Establishment of the Group CSuO to oversee and promote group-wide sustainability initiatives, including response to climate change - Enhancement of the executive compensation system and operation of the internal control process - Capability building for executives and employees
Implementation strategy	Decarbonisation businesses	- Expansion of decarbonisation support solutions: Advisory services for emissions measurement and strategy development, co-creation of business initiatives, including renewable energy deployment, carbon credits, financing support for decarbonisation - Expanding finance by enhancing risk-taking capabilities including new energy technologies, and transition finance
	Climate-related risk analysis and management	- Environmental and social due diligence (ESDD) (corporate/projects) - Policies for specific businesses and sectors
	Sectoral emissions	- Calculating sectoral emissions and setting goals - Developing metrics and targets to support decarbonisation of the real economy: set "CO2 emissions reductions" target
	Operational GHG emissions	Introducing renewable energy, switching to eco-friendly vehicles, and developing offset policies
Engagement strategy	Engagement with customers	- Transition Finance Playbook and Transition Finance Scorebook - Dialogue on transition plans using ESDD
	Engagement with industry	Participating in the PCAF, IIF, Japan Hydrogen Association (JH2A), ATF-SG, etc
	Engagement with governments and authorities	Participating in various committees organised by the Japanese government

Component	Item	Main content
Metrics and targets	Sustainable finance KPIs	Cumulative total of JPY 50 trillion by FY3/30
	Sectoral emissions reduction targets	Setting targets for the power, oil & gas, coal, steel, automobile, and real estate sectors
	Operational GHG emissions reduction targets (Scopes 1 and 2)	Compared to FY3/22: 40% reduction by FY3/26 and 55% reduction by FY3/27

(Source: SMBC Group Sustainability Report 2025; updated based on SMFG Annual Securities Report for FY2025 (April 2025–March 2026))

SMBC Group's key targets and action plans are illustrated in the following diagram:

(Reference) Transition plan (road map) for addressing climate change

Main targets and action plans for climate change response are shown in the table below.

		Medium-Term Management Plan					
		~2025	2026	2027	2028	2030	2040 2050
Sustainable finance						Cumulative JPY 50 trillion	
Risk-taking in the new energy sector		Risk capital provision / support social deployment					
Transition finance (TF)	TF Playbook TF Scorebook	Scaling TF Update TF Playbook Strengthen public-private partnerships					
Risk analysis	Scenario analysis Sector analysis	Enhance scenario analysis					
Policies for specific businesses/ sectors	Revised thermal coal-related policies	Consider enhancements based on risk analysis results					
Portfolio management	Set 2050 Net Zero target Set Medium-term targets (6 sectors)	Reduce sectoral emissions through TF & environment and social due diligence				Achieve mid-term targets (6 sectors)	Net zero
Loan balance for CFPP*	Set phase-out target					Project finance 50% reduction from FY20	Zero balance project finance / corporate finance tied to facilities
Loan balance for coal mining	Set phase-out target					Zero balance OECD countries	Zero balance non-OECD countries
Environment and social due diligence	Introduce environmental and social due diligence / monitor transition plans	Enhance due diligence content and framework. Consider RAF indicators related to due diligence					
Operational GHG (Scope 1 & 2)	Set net zero target by 2030 Introduce renewable energy at HO & company-owned properties	Introduce renewable energy at other locations. Introduce eco-friendly vehicles. Develop offset policies				Net zero & all eco-friendly vehicles (in Japan)	

(Source: SMFG Annual Securities Report for FY2025 (April 2025–March 2026))

SMBCMY is aligned with and subject to the sustainability and climate-related targets established by SMBC Group, with oversight and progress monitoring undertaken by the Group's head office.

To support consistent measurement and reporting against these targets, SMBCMY's Sustainability Committee ensures adherence to SMBC Group's internal definitions, classifications and methodologies for sustainability and climate-related matters, including the classification of sustainable finance transactions, alignment with the Transition Finance Playbook, and identification of environmentally vulnerable sectors.

2.2 Climate-Related Risks and Opportunities - Impacts and Strategic Response

SMBCMY recognises that climate-related events and developments may give rise to risks and opportunities that could affect the Bank's business. Illustrative examples are set out below:

		Examples of events	Examples of impacts on SMBCMY
Opportunities		- Business model transformation aimed at materially reducing GHG emissions. - Growing demand for sustainable finance and transition finance solutions.	Expanded financing opportunities arising from clients' decarbonisation and transition-related activities.
Risks	Physical risks	- Increased frequency or severity of acute physical hazards, including floods and typhoons. - Chronic shifts in climate patterns, including higher temperatures and increased rainfall intensity.	Potential increase in credit-related costs and reduction in deposits resulting from deterioration in client business performance or impairment of collateral values.
	Transition risks	- Strengthening of climate-related regulations, including more stringent emissions reduction requirements. - Structural changes across industries arising from the transition to a lower-carbon economy.	Potential deterioration in client financial performance and increase in credit-related costs due to revenue pressure, asset impairment or transition-related adjustment costs.

As SMBCMY and its clients transition towards a lower-carbon economy, the Bank seeks to capture growth opportunities through the expansion of sustainable finance, including transition finance, while managing associated risks through enhanced risk and emissions analysis, robust policies and prudent portfolio management. The Bank's Risk Appetite Framework serves as a core guiding framework to ensure that climate-related risk exposures, particularly in environmentally vulnerable sectors, are maintained within established limits and subject to ongoing monitoring at both customer and portfolio levels.

SMBCMY's sustainability-related key strategies are cascaded to the employees via SMBCMY's Sustainability Committee and training sessions within the Bank.



Section 3: **Risk Management**

- 3.1 Process for Identifying and Assessing Climate-Related Risks
- 3.2 Process for Managing Climate-Related Risks
 - a) Climate-Related Risk Management Framework
 - b) Client Assessments Performed as part of Climate Risk Management
 - c) Scenario Analysis

Section 3: Risk Management

3.1 Process for Identifying and Assessing Climate-Related Risks

Climate-related risks are managed in accordance with SMBCMY’s Risk Management Framework, which provides a structured approach to identifying, assessing, monitoring and reporting such risks.



Stage	Summary
IDENTIFICATION	Identify business activities, customer segments and operational areas with exposure to climate-related physical and transition risks.
ASSESSMENT	Assess the potential financial and operational implications of identified climate-related risks.
MONITORING	Monitor climate-related risk exposures on an ongoing basis using defined risk indicators and metrics.
REVIEW	Review and enhance the climate risk management framework to reflect regulatory developments, portfolio changes and evolving climate-related risk drivers.
CONTROL	Apply mitigation and control measures to manage climate-related risks and support customers in strengthening climate resilience.
REPORTING	Report material climate-related risk exposures, trends and events to support informed oversight and strategic decision-making.

SMBCMY recognises the potential severity and wide-ranging impacts of climate change on its business and operations. In line with SMBC Group’s philosophy of creating social value through the realisation of “Fulfilled Growth” and its commitment to achieving net zero emissions across its investment and loan portfolio by 2050, SMBCMY considers climate-related risks, including physical and transition risks, to be material risk drivers with potential direct and indirect implications for the Bank.

In addressing climate-related risks, SMBCMY is guided by the following publications issued by Bank Negara Malaysia ("BNM"):

TCFD Application
Guide for Malaysian
Financial Institutions

Policy Document on Climate
Risk Management and
Scenario Analysis ("CRMSA")

Climate Risk Stress
Testing ("CRST")
Methodology Paper

Climate Change and
Principle-based
Taxonomy ("CCPT")

In addition, the fundamental principles of climate-related risks are stipulated in our Risk Appetite Framework and Risk Management Frameworks, further complemented by SMBCMY's Environmental Risk Management Policy. These documents serve to integrate climate-related risk considerations within the Bank's strategies, governance and risk culture.

In line with BNM's CRMSA Policy Document, climate-related risks are recognised as risk drivers of existing risk types, requiring the Bank to understand and assess their transmission channels. Consistent with these regulatory expectations, SMBCMY adopts SMBC Group's climate risk transmission framework to identify and assess how climate-related risks may affect the Bank's risk profile.

The following table illustrates examples of the events and timeframe that will accompany the transmission of climate-related risks to each of the following risk categories, as outlined by SMBC Group:

Risk Category	Group-wide Definitions	Examples of Climate-Related Risk Events	
		Physical Risks	Transition Risks
Credit Risk	Risk of losses arising from a reduction or loss in asset value, including off-balance sheet exposures, due to credit events such as deterioration in an obligor's financial condition.	Potential increase in credit-related costs due to deterioration in customer performance or impairment of collateral values resulting from natural disasters. (Short to Long-term)	Potential increase in credit-related costs due to deterioration in customer performance arising from more stringent regulations associated with the transition to a decarbonised economy. (Medium to Long-term)
Market Risk	Risk of losses arising from changes in the market value of financial instruments due to movements in interest rates, foreign exchange rates, equity prices and other market factors.	Risk of declining values of strategically held equities and funds due to deterioration in customer performance arising from natural disasters. (Short to long term)	Risk of deterioration in customer performance and decline in the value of strategically held equities and funds resulting from stricter climate-related regulations. (Short to Long-term)

Risk Category	Group-wide Definitions	Examples of Climate-Related Risk Events	
		Physical Risks	Transition Risks
Liquidity Risk	Risk of funding difficulty arising from maturity mismatches between asset and liability management or unexpected fund outflows; risk of losses from forced funding at materially higher-than-normal costs.	Risk of deposit outflows resulting from deterioration in customer performance following natural disasters. <i>(Short to Long-term)</i>	Risk of deterioration in the funding environment or deposit outflows arising from adverse impacts to SMBC Group's reputation. <i>(Short to Long-term)</i>
Operational Risk	Risk of losses arising from inadequate or failed internal processes, people or systems, or from external events.	Risk of business disruption resulting from physical damage to offices, together with increased response and recovery costs. <i>(Short to Long-term)</i>	Risk of losses, penalties or litigation arising from products or services that do not meet applicable climate-related requirements or green finance criteria. <i>(Short to long term)</i>
Reputational Risk	Risk of impairment to enterprise value or decline in stakeholder trust due to failure to meet expectations on ethical conduct, transparency, environmental and social responsibility, or other stakeholder requirements.	Risk of stakeholder criticism arising from delayed recovery of business operations following physical damage to offices. <i>(Short to Long-term)</i>	Risk of reputational deterioration due to inadequate climate action or delayed responses to stakeholder expectations for climate-related disclosure. <i>(Short to Long-term)</i>

Short-term: < 1 year, Medium-term: 1 year - 3 years, Long-term: > 3 years

(Source: SMBC Group Sustainability Report 2025)

3.2 Process for Managing Climate-Related Risks

SMBCMY actively engages with sectors that exhibit higher climate-related risk exposure, particularly those with significant GHG emissions. The Bank manages these exposures within its Risk Appetite Framework while continuing to enhance its understanding and assessment of sector-specific climate-related risks. To support resilience to climate change impacts, SMBCMY has integrated climate risk considerations into its existing risk ecosystem as follows:

a) Climate-Related Risk Management Framework

SMBCMY's Risk Appetite Framework, aligned with SMBC Group's framework, is established in conjunction with the Bank's business strategy to support integrated risk management. It provides a structured basis for defining acceptable risk levels and guiding risk-taking activities.

Climate-related risks are embedded within the Risk Appetite Framework through the inclusion of environmental and social risks as a distinct risk category, supported by the corresponding Risk Appetite Statement ("RAS"). This guides the Bank's approach to managing exposure to material environmental risks.

Under the Risk Appetite Statement, SMBCMY actively monitors and manages climate-related, nature-related and human rights risk exposures at both customer and portfolio levels. The Bank also strengthens the assessment of interlinkages between climate-related risks and other risk categories, including financial risks (credit, market, liquidity, and operational risks) and non-financial risks (reputational risk).

SMBCMY identifies sectors that are more vulnerable to climate-related risks and implements sector-specific policies to manage these risks within its portfolio. Key environmentally vulnerable sectors identified within SMBCMY's portfolio based on the Bank's risk appetite include Manufacturing, Real Estate, Transport, Storage and Communication, Electricity, Gas and Water, and Non-Bank Financial Institutions ("NBFI") – Automotive.

The identification of high-risk sectors is further supported by the BNM CCPT classification, whereby economic activities are classified into three categories (climate supporting, transitioning, and watchlist).

The classification system as per BNM's CCPT guidelines is as follows:

5 Guiding Principles ('GP')

(GP1) Climate Change Mitigation

To reduce/prevent emission of GHG into the atmosphere.

(GP2) Climate Change Adaptation

Process/actions taken to lower the negative effects and/or moderate harm caused by climate change.

(GP3) No Significant Harm to the Environment

- (a) Prevent, reduce & control pollution,
- (b) protect healthy ecosystems & biodiversity,
- (c) use natural resources in a sustainable & efficient manner.

(GP4) Remedial Measures to Transition

Address the significant harm identified at either the economic activity level or overall business level or both.

(GP5) Prohibited Activities

Economic activities being considered/inance not illegal and do not contravene environmental and national human rights & labour laws.

Progressive classification system to acknowledge concrete transition efforts and commitments

Classification		Economic Activity		Overall Business	
		GP1	GP2	GP3	GP4
Climate Supporting Activities with positive impacts* on climate change and causing no significant harm to the environment. *Substantial contribution in meeting the following objectives: (a) avoid GHG emissions; or (b) Reduce GHG emissions; or (c) Enable others to avoid or reduce GHG emissions	C1	GP1 or GP2 or both		✓	
Transitioning Activities still causing some harm to the environment, but remedial measures taken to reduce/eliminate identified harm	C2	GP1 or GP2 or both		×	✓
	C3	×		×	✓
Watchlist Activities causing some harm to the environment and no remedial measures/no commitment taken to reduce harm	C4	GP1 or GP2 or both		×	×
	C5a	×		×	×
	C5b	×		✓	

The CCPT classification system facilitates the classification of economic activities and financing exposures based on their alignment with climate-related objectives. Accordingly, the Bank's watchlist focuses on exposures classified under CCPT categories C4 and C5a, which are associated with significant environmental harm and limited transition measures.

To monitor these exposures, SMBCMY has established Key Risk Indicators ("KRIs"), which are measured through Risk Appetite Measures ("RAMs") and Risk Control Measures ("RCMs"). The risk limits and thresholds for these sectors are defined and incorporated into SMBCMY's Risk Appetite Framework ("RAF") to ensure that exposures and concentration levels remain within the Bank's risk appetite. Performance against these measures is reported regularly to management and regulators in accordance with established policies and regulatory requirements.

SMBCMY monitors these exposures and aims to maintain environmental watchlist exposure below 15% of total portfolio exposure. For very high transition risk sectors, such as power generation, oil & gas and coal sectors, the Bank supports customer decarbonisation through engagement and transition financing, while ensuring alignment with portfolio risk appetite and profitability objectives.

The CCPT exposure within the Bank's portfolio is reviewed at least annually.

b) Client Assessments Performed as part of Climate Risk Management

SMBCMY is aligned with SMBC Group's commitment. Hence, the Bank will leverage on SMBC Group's transition plan as well as initiatives by localising relevant initiatives, policies, and guidelines to support SMBCMY's clients and BNM's requirements.

SMBCMY appropriately identifies and manages environmental and social risks through client assessments including:

- Environmental and Social Due Diligence
- CCPT Assessments

SMBCMY has incorporated the BNM CCPT Assessment into its credit assessment process to integrate environmental risk considerations.

These assessments have been integrated into the Bank's Risk Management Framework and Risk Appetite Framework to enable a structured and forward-looking evaluation of climate-related risks, supporting informed decision making and effective risk mitigation.

The Bank adopts SMBC Group's framework on ESDD to identify and assess environmental and social risks in financing activities, including credit and reputational risks. This framework applies to specific high-risk sectors identified by SMBC Group. These assessments are conducted in line with applicable international standards, including the Equator Principles, where relevant.

c) Scenario Analysis

Guided by BNM's Policy Document on CRMSA and the 2024 Climate Risk Stress Testing – Methodology Paper, the Bank has conducted climate scenario analysis through the climate risk stress testing exercise to assess potential credit risk implications arising from climate-related risks.

Given that credit risk exposures constitute a significant portion of the Bank's balance sheet, the analysis focused on evaluating the impact of both transition and physical risks on borrowers' repayment capacity, collateral values and recovery outcomes in the event of default.

The risk limits and thresholds for the Environmental Risk Watchlist Sectors are defined and incorporated into SMBCMY's Risk Appetite Framework ("RAF") to ensure that exposures and concentration levels remain within the Bank's risk appetite.

Long-Term Climate Scenarios

Net Zero 2050 ["NZ 2050"] (Orderly)

Strong climate policies and significant green technology breakthroughs rapidly reduce greenhouse gas (GHG) emissions limiting global warming to 1.5°C.

- Limited physical risk
- High transition risk

Divergent Net Zero 2050 ["DNZ 2050"] (Disorderly)

Distributional impacts from strong climate policies are uneven and technology advancements with inherent limitations (lower than NZ2050).

- Limited physical risk
- Moderate to higher transition risk

Nationally Determined Contributions ["NDC"] (Hot House World)

Policy measures are fully implemented but inadequate, leading to an approximately 2.5°C increase in temperatures.

- Higher physical risk
- Lower transition risk

Short-Term Acute Physical Risk Scenario

Consider a one-off 1-in-200 years flood event, occurring nationwide in Malaysia consistent with climate conditions in the IPCC's RCP 8.5 scenario in the year 2050.

The following assumptions have been applied across the three scenarios, which are aligned with BNM's 2024 Climate Risk Stress Test ("CRST") – Methodology Paper:

	NZ 2050	DNZ 2050	NDCs
Physical risk	Limited	Limited	High
Mean global warming relative to pre-industrial average in 2100	1.4°C	1.4°C	2.6°C
Malaysia's surface temperature based on IPCC's AR6 95 th Percentile (in 2050)	26.9°C	26.9°C	27.8°C
Transition risk	High	Moderate to high	Lower
Estimated average shadow carbon price in Malaysia (in 2050, USD per tCO ₂ e based on 2010 prices, and regional carbon prices)	USD325.40	USD 698.90	USD 41.60

The analysis also incorporates climate-adjusted probabilities of default ("PD") and loss given default ("LGD") within the Expected Credit Loss ("ECL") framework to quantify potential impacts on both on- and off-balance sheet exposures under BNM-prescribed climate scenarios.

Based on the scenario analysis conducted for SMBCMY and the assessment of potential impacts through 2050, credit-related costs were assessed to be immaterial. No significant impact on the Bank's capital adequacy or overall risk profile was observed under the scenarios assessed, and the Bank's capital position remained well above regulatory minimum requirements.



Section 4: Metrics & Targets

4.1 Key Climate-Related Metrics

- a) Operational GHG Emissions
- b) Sectoral Emissions
- c) Exposure to Transition and Physical Risks
- d) Climate-Related Opportunities
- e) Stakeholders Engagement

Section 4: Metrics & Targets

4.1 Key Climate-Related Metrics

In line with SMBC Group's sustainability strategy and net zero ambition, SMBCMY adopts the Group's climate-related metrics and targets to monitor and report progress. An overview of these key metrics and targets is provided below.

Key climate and nature-related metrics and targets

To promote strategies and risk management related to climate change and natural capital, we monitor the following metrics and targets.

Metrics	Targets	Recent results	YoY
Sustainable finance	Cumulative JPY 50 trillion by 2030	Cumulative JPY 45 trillion (FY2020–FY2025)	-
Green finance	Cumulative JPY 20 trillion by 2030	Cumulative JPY 21 trillion (FY2020–FY2025)	-
Sectoral emissions	Net zero by 2050	-	-
Oil & gas	FY2030: -12 to -29% (from FY2020)	13.4 Mt-CO₂e (FY2025)	-67% (from FY2020)
Coal	FY2030: -37 to -60% (from FY2020)	0.4 Mt-CO₂e (FY2025)	-97% (from FY2020)
Power	FY2030: 138 to 195 g-CO₂e/kWh	224 g-CO₂e/kWh (FY2025)	-33% (from FY2020)
Steel	FY2030: 1.2 to 1.5 t-CO₂e/t-Steel	2.0 t-CO₂e/t-Steel (FY2025)	-
Automotive	FY2030: 120 to 161 g-CO₂e/vkm	186 g-CO₂e/vkm (FY2025)	-9% (from FY2021)
Real estate	FY2030: 33 to 43 kg-CO₂e/m²	76 kg-CO₂e/m² (FY2025)	-6% (from FY2021)
Loan balance for coal-fired power generation*	Zero balance by FY2040: Project finance, equipment-linked corporate finance	Project finance: JPY 165 billion (FY2025); Equipment-linked corporate finance: JPY 50 billion (FY2025)	-JPY 87 billion from FY2021; -JPY 35 billion from FY2021
Loan balance for thermal coal mining sector*	Zero balance in FY2030: Non-OECD countries	JPY 2 billion (FY2025)	-JPY 26 billion from FY2021
	Zero balance in FY2040: Non-OECD countries	JPY 17 billion (FY2025)	-JPY 62 billion from FY2021
Operational GHG emissions	Net zero by FY2030	82 kt-CO₂e (FY2025)	-54% from FY2021

* The amounts described for the most recent results and as the ratios vs. reference year were rounded to the nearest tenth.

(Source: SMFG Annual Securities Report for FY2025 (April 2025–March 2026))

a) Operational GHG Emissions

SMBCMY monitors and reports its Scope 1, Scope 2 and selected Scope 3 emissions. The reporting boundary is defined in accordance with the GHG Protocol Corporate Accounting and Reporting Standard using the operational control approach, which best reflects the Group's ability to influence operating policies and implement measures to achieve its sustainability targets.

Indirect emissions (Scope 3) arise from upstream and downstream activities, including business travel and employee commuting. Although these emissions are not fully within the Bank's direct control, they form part of SMBCMY's value chain and are therefore monitored and disclosed.

The table below summarises the absolute gross GHG emissions of SMBCMY for FYE2026:

	FYE2025 (tCO ₂ e)	FYE2026 (tCO ₂ e)
Scope 1 – Direct Emissions	5.72²	-
Mobile combustion	5.72	-
Scope 2 – Indirect Emissions	247.63	169.28
Power	146.52 ²	149.88
Chilled water	101.11	19.40
Scope 3 – Other Indirect Emissions	231.91	235.32
Category 6 – Business travel	40.08	45.71 ³
Category 7 – Employee commuting	191.83	189.61
Total	485.26	404.60

Table 4. 1 – GHG emissions (Scope 1, Scope 2, Scope 3 Category 6 and 7) by SMBCMY

SMBC Group is committed to achieving net zero GHG emissions from its operations (Scope 1 and Scope 2) by FYE2031. To support this objective, SMBC Group has continued to promote the transition to renewable energy and reduce emissions through the use of cleaner electricity sources.

As part of SMBCMY's initiatives to reduce operational GHG emissions, RM0.3 million was invested in 2025 to install a Variable Refrigerant Volume ("VRV") system to replace the existing cooling system in the server room, which had previously relied on the building's chilled water plant. This upgrade significantly reduced chilled water consumption and contributed to a reduction in Scope 2 emissions.

Mobile combustion emissions were reduced to nil in FYE2026 following the disposal of SMBCMY's mobile fleet.

"The Bank had installed a Variable Refrigerant Volume system to replace the cooling system in the server room. This upgrade significantly reduced chilled water consumption and contributed to a reduction in Scope 2 emissions."

² FYE2025 Scope 1 and Scope 2 GHG emissions (from power consumption) have been restated to reflect improvements in the quality of activity data, enhancing accuracy and completeness.

³ SMBCMY enhanced its FYE2026 Scope 3 – Category 6: Business Travel emissions disclosure by extending coverage to training-related emissions.

The GHG emissions calculation methodology for each scope is summarised as follows:

Category of emissions	Methodology and assumptions	Activity data	Emission Factor Sources
Scope 1			
Mobile combustion	Total fuel consumption (litres) x fuel emission factor (tCO2e/litre)	Fuel purchase details (litres)	UK Government GHG Conversion Factors for Company Reporting 2025
Scope 2 (location-based)			
Grid electricity	Total electricity and chilled water purchased (kWh) x grid emission factor (tCO2e/kWh)	Electricity bills (kWh)	Malaysia grid emission factor for Peninsular Year 2024
Chilled water			
Scope 3			
Category 6 - Business travel	<u>Land travel</u> Total distance travelled (km) x average car emission factor (tCO2e/km) <u>Air travel</u> Total distance travelled (km) x average passenger emission factor (tCO2e/km) <u>Assumptions (land travel)</u> All business trip claims by employees are for commuting via car. All cars driven / rented for business travel purposes are petrol vehicles.	<u>Land travel</u> Employees' claims for business travel <u>Air travel</u> Employees' air travel claims	UK Government GHG Conversion Factors for Company Reporting 2025
Category 7 - Employee commuting	Employees' daily commuting distance and main form of commute was collated via a survey. The commuting distances are multiplied by the corresponding vehicle-specific emission factors. Survey data are extrapolated to 12 months and adjusted for the total number of employees at year end.	• Employees' daily commuting distance (km) • Mode of transportation • Average working days per employee • Number of employees	

b) Sectoral Emissions⁴

SMBC Group aspires to align its lending portfolio with net zero emissions by 2050. Measuring greenhouse gas emissions associated with financing activities enables the Group to assess progress against this ambition.

⁴ For further information on SMBC Group's sectoral emissions, including methodologies and targets, please refer to the latest SMBC Group Sustainability Report.

SMBC Group measures and manages Financed Emissions (“FE”), with reference to internationally recognised methodologies, including the Partnership for Carbon Accounting Financials (“PCAF”) Standard.

As of 31 March 2026, SMBCMY had no lending exposures to the Coal and Oil & Gas sectors. Accordingly, FE for these sectors were nil.

For the remaining sectors, FE have not yet been quantified for SMBCMY’s portfolio. The Bank remains committed to strengthening data collection, governance and reporting processes to improve the coverage, reliability and granularity of financed emissions metrics over time, in line with evolving industry practices and disclosure expectations.

In addition to FE, SMBC Group also measures sectoral emissions and has established emission reduction targets for selected material sectors, including Coal, Oil & Gas, and Power Generation, taking into consideration factors such as FE, climate-related risks, and portfolio exposure.

At SMBCMY, sectoral emissions for selected very high-transition-risk sectors are disclosed as part of its ongoing efforts to enhance climate-related disclosures and strengthen transparency.

The year-on-year performance of emissions intensity for the Power Generation sector is presented below.

Sectoral Emissions		As of 31 March 2025	As of 31 March 2026
Power Generation ⁽¹⁾	(g-CO ₂ e/kWh)	203.17	158.25

Note:

(1) This refers to Scope 1 emissions attributed to the Bank’s borrowers in the power generation sector.

Sectoral emissions for the power generation sector decreased on a year-on-year basis from 203.17 g-CO₂e/kWh to 158.25 g-CO₂e/kWh as of 31 March 2026. The Bank will continue to monitor and track emissions performance in the sector against its established targets.

c) Exposure to Transition and Physical Risks

Metrics	Transition risks	Physical risks
Power	Very high	Low
Oil & gas	Very high	Middle
Coal	Very high	Middle
Air cargo	Low	Low
Passenger aviation	Middle	Middle
Shipping	High	Low
Railroads	Low	Low
Truck services	Middle	Low
Automobiles and components	High	Low
Metals and mining	Middle	Low
Steel	High	Low
Chemical products	Middle	Low
Construction materials	High	Low
Capital goods	Middle	Low
Real estate	Low	Low
Beverages	Low	Middle
Agriculture	Low	Middle
Packaged foods and meat	Low	Middle
Paper and forest products	Low	Middle

Based on the sector-specific heatmap developed by SMBC Group, SMBCMY assessed its credit exposure to sectors with high and very high transition risks. As of 31 March 2026, exposure to high transition risk sectors represented 4.0% of the Bank's total credit exposure, equivalent to approximately RM1.0 billion, while exposure to very high transition risk sectors represented 5.6% of total credit exposure, amounting to approximately RM1.4 billion.

In addition, SMBCMY has identified exposures secured by physical collateral as a preliminary proxy for assessing potential vulnerability to physical climate risks. These exposures represent 4.2% of total exposures. This approach is intended to support initial risk identification by highlighting portfolios with potential dependency on tangible assets that may be exposed to climate-related physical hazards. Further refinement will be undertaken as more granular collateral, location, and hazard data become available.

SMBCMY also monitors transition risks in accordance with the CCPT guidelines. Based on BNM CCPT submissions from March 2025 to March 2026, the majority of the Bank's exposure falls under the transitioning classification, representing businesses that are progressively transitioning. Notably, the composition of climate-supporting exposure increased from 4% in March 2025 to 10% in March 2026, while watchlist exposure decreased from 11% to 2% over the same period. This reflects the Bank's proactive efforts to support the channelling of finance towards activities that contribute to climate change and environmental objectives, including the transition to more sustainable practices.

Please refer to the following table for further details:

Classification		Mar'25 (%)	Mar'26 (%)	Trend
Climate Supporting	C1	4%	10%	
Transitioning	C2	85%	88%	
Transitioning	C3			
Watchlist	C4	11%	2%	
Watchlist	C5			
Total		100%	100%	

d) Climate-Related Opportunities

Sustainable Finance

SMBCMY remains focused on creating climate-related opportunities for clients by supporting their transition to a low-carbon and more sustainable economy. A key pillar of this effort is the provision of sustainable finance solutions, including Green Loans, Social Loans, Sustainability-Linked Loans, and Green, Social and Sustainability-Linked Trade Finance.

As of the end of March 2026, SMBCMY's outstanding balance of sustainable finance amounted to RM1,899.1 million. These financings are provided in accordance with clearly defined eligibility criteria, including the establishment of sustainability frameworks, achievement of Sustainability Performance Targets ("SPTs"), and the use of proceeds for eligible green or social projects. Through sustainable finance, SMBCMY has supported clients' initiatives to address climate change and social challenges, including carbon emissions reduction, energy efficiency improvements and the development of green buildings.

During FYE2026, SMBCMY recorded 89 sustainable finance drawdowns amounting to RM3.1 billion, compared with 91 drawdowns totalling RM2.5 billion in the previous year. This reflects the Bank's continued role in supporting clients' sustainability-related initiatives and reinforces its commitment to responsible growth.

Green Deposits

In addition to providing sustainable finance, SMBCMY offers Green Deposits, enabling clients to contribute to environmentally sustainable activities through their deposits. Funds placed in Green Deposits are allocated to eligible green assets and projects globally in accordance with the Bank's Green Deposit Framework. This enables clients to align liquidity management and investment decisions with broader sustainability objectives while maintaining the same level of safety as conventional deposits.

In April 2025, SMBCMY began issuing Green Deposit certificates to clients placing Green Deposits. These certificates demonstrate clients' commitment to green investment, enhance transparency over the use of funds, and support clients' sustainability reporting and stakeholder communication.

Since the launch of Green Deposits in May 2023, a cumulative total of RM1,463.7 million, including rollovers, had been placed with SMBCMY as of March 2026. SMBCMY continues to actively promote Green Deposits to clients to raise awareness of the purpose, environmental impact and long-term value of sustainable investments.

e) Stakeholders Engagement

SMBCMY recognises that successful implementation of climate-related projects often requires specialised knowledge, technical expertise and access to suitable partners, which may present challenges for stakeholders embarking on their sustainability journeys. To support stakeholders in addressing these challenges, SMBCMY actively engages with them beyond the provision of financial services.

One key initiative is business matching, through which SMBCMY facilitates connections between stakeholders to support climate- and sustainability-related projects. This process typically involves:

- understanding the stakeholder's sustainability related project requirements;
- with the stakeholder's consent, identifying and shortlisting potential companies, either existing stakeholders or related parties;
- meeting with potential companies to assess their technical capabilities and capacity; and
- introducing the companies to initiate collaboration on sustainability-related projects.

In addition, SMBCMY actively engages stakeholders through climate- and sustainability-related seminars, workshops, conferences and information sharing sessions. The Bank actively participates as a presenter or panellist in industry events to share insights and best practices, organises information sharing sessions focused on sustainability-related financing, and promotes awareness of climate risks and sustainability topics. In January and February 2026, SMBCMY also extended its outreach to secondary school and university students by providing and supporting educational opportunities on climate risks and sustainability.

Through these stakeholder engagement initiatives, SMBCMY aims to build long-term partnerships with stakeholders, support the real-economy transition towards sustainability, and create shared value by enabling both the Bank and its stakeholders to grow while contributing to climate and sustainability objectives.

Year	FYE2025 Number of meetings	FYE2026 Number of meetings
Total number of engagement meetings relating to climate and sustainability risks/opportunities with the Bank's clients	15	15
Topic/Theme of the client engagement meetings:		
Climate and sustainability-related business matching activities	3	5
Climate and sustainability-related information sharing sessions	7	2
Climate and sustainability-related seminars/workshops/conferences with clients	5	11

End of disclosure.