

Launch of the SMBC China Environmental Assessment Loan, and Tianjin Cosmo Polyurethane Co., Ltd., the first company to utilize the new loan

Tokyo, March 31, 2016 --- Sumitomo Mitsui Banking Corporation (“SMBC”, President and CEO: Takeshi Kunibe) announced today that its wholly-owned subsidiary Sumitomo Mitsui Banking Corporation (China) Limited (“SMBCCN”, President: Toshiyuki Tatsuta) has launched the SMBC China Environmental Assessment Loan, a product designed for companies in China to support their efforts to engage in environmentally friendly initiatives.

The SMBC China Environmental Assessment Loan was developed based on the same framework as SMBC’s domestic product, the SMBC Environmental Assessment Loan, which SMBC had started providing in Japan from 2008. The loan conditions will be determined based on the evaluation of the company’s environmental initiatives, and an environmental evaluation report will be provided to further enhance the company’s eco-management related activities. SMBCCN launched this new loan product in China in order to support Chinese companies, as a financial institution, strengthen their ability to engage in environment and sustainability initiatives.

Tianjin Cosmo Polyurethane Co., Ltd. (“TCPC”), a subsidiary of Mitsui Chemicals & SKC Polyurethanes Inc. (Ownership: Mitsui Chemicals, Inc. 50%/SKC Co., Ltd. 50%. Co-CEO: Ki Don Won and Hiroyasu Ishimaru), is the first company in China to make use of the SMBC China Environmental Assessment Loan. TCPC was evaluated as a company that is proactively implementing environment and sustainability (“E&S”) initiatives derived from E&S opportunities and risks, in alignment to the corporate vision and mission statement. (Rating result: Platinum).

Some reasons for TCPC’s high evaluations are:

1. The undertaking of various initiatives such as environmental compliance and risk management under an environmental management system that is compliant with ISO14001 requirements. Creating an environmental policy that clearly indicates that environmental conservation is a priority issue for the company.

2. Setting and working to achieve goals regarding the reduction of air emission, wastewater discharge, and waste generation.
3. Its various efforts to collaborate with stakeholders. For example, publishing environmental information on the Mitsui Chemicals Group website and the Tianjin Economic Technology Development Area website, promoting environmental awareness amongst employees via various training initiatives, and improving the overall environmental management of the supply chain by setting environmental management standards for suppliers.

By providing the new SMBC China Environmental Assessment Loan, SMBC will continue to support the promotion of environmental conservation in China and around the world.

Overview of SMBC China Environment Assessment Loan

General description	The new loan product has been jointly developed by SMBCCN and Ernst & Young China. An assessment of customers' Environmental Management System ("EMS") will be conducted according to criteria set to comply with China's environmental regulations, and financing will be provided based on the assessment results.	
Commencement date	March 2016	
Assessment agency	Ernst & Young China	
Type of loan	Loan on Certificate	
Interest rate	To be determined by SMBCCN	
Commission fee	Minimum of RMB62,800 (including tax)	
Rating result	Platinum+	Leading the industry with environment & sustainability (E&S) initiatives derived from evaluated E&S opportunities/risks, in alignment to the corporate vision/mission statement
	Platinum	Proactively implementing E&S initiatives derived from evaluated E&S opportunities/risks, in alignment to the corporate vision/mission statement
	Gold+	Proactively implementing E&S initiatives based on company-wide environmental management and a basic understanding of E&S issues in relation to its business.
	Gold	Reasonable E&S initiatives are in place, based on company-wide environmental management and a basic understanding of E&S issues in relation to its business.
	Silver+	Necessary E&S initiatives are in place, based on limited environmental management and an understanding of the major E&S issues.
	Silver	Ad-hoc E&S initiatives are in place based on limited environmental management and an understanding of the major E&S issues.

Rating result	Bronze+	Ad-hoc E&S initiatives are implemented based on limited environmental management.
	Bronze	Ad-hoc E&S initiatives are implemented, with plans to establish an environmental management system soon.
	Certified	Limited E&S initiatives are implemented without an environmental management.
	n/s	E&S initiatives are not implemented.

(Scheme)

SMBC China Environmental Assessment Loan

