

**【NEWS RELEASE】**

May 15, 2023

Sumitomo Mitsui Financial Group, Inc.

Strengthening Efforts against Climate Change

TOKYO, May 15, 2023 --- Sumitomo Mitsui Financial Group, Inc. (President and Group CEO : Jun Ohta, hereinafter the Group is collectively referred to as “SMBC Group”) hereby announces the progress in advancement of its climate change response as the “Strengthening Efforts against Climate Change”.

SMBC Group will make every effort in addressing environmental and social issues the world is facing, such as actions towards climate change, and conservation and restoration of natural capital. Moreover, SMBC Group will further expand its support to customers’ efforts and innovative technologies, and by doing so, contribute to the realization of sustainability.

(URL) “Strengthening Efforts against Climate Change”

[https://www.smfg.co.jp/news\\_e/pdf/e20230515\\_02.pdf](https://www.smfg.co.jp/news_e/pdf/e20230515_02.pdf)

## &lt; Highlights of our progress &gt;

Governance		<ul style="list-style-type: none"> <li>Revision of <b>executive compensation system</b> to incorporate ESG quantitative indicator in the medium-term performance-based compensation</li> <li>Appointment of Paul Polman, former CEO of Unilever PLC as <b>Global Advisor</b></li> </ul>
Climate-related Risk Management	Coal	<ul style="list-style-type: none"> <li>Enhanced <b>phase-out strategy for coal sector (thermal coal mining)</b></li> </ul>
	Scope3 (Portfolio GHG)	<ul style="list-style-type: none"> <li><b>Mid-term reduction targets in the iron &amp; steel, and automobile sector (FY3/24)</b></li> <li><b>Calculate estimated sectoral GHG emissions (FY3/24 first half)</b></li> </ul>
	Risk Management	<ul style="list-style-type: none"> <li>Development of a <b>risk appetite framework to manage climate-related risks</b></li> <li>Rolling out <b>customers’ transition strategies assesment (FY3/24 first half)</b></li> </ul>
	Scope1,2	<ul style="list-style-type: none"> <li><b>Setting of mid-term reduction target</b></li> </ul>
Transition Support		<ul style="list-style-type: none"> <li><b>Sustainable finance KPI</b> revised upwards from JPY 30 tn to JPY 50 tn</li> <li>Establishment of <b>Transition Finance Playbook</b> (By the end of May 2023)</li> </ul>
Natural Capital		<ul style="list-style-type: none"> <li>Publication of <b>SMBC Group TNFD Report</b></li> </ul>