

Jan 27, 2021

Sumitomo Mitsui Finance and Leasing Company, Limited

## Participation to the Poseidon Principles

We hereby announce that Sumitomo Mitsui Finance and Leasing Company, Limited (“SMFL”, President: Masaki Tachibana) is to be the world’s first leasing company to join the existing members of the Poseidon Principles, a responsible banking initiative led by financial institutions active in global maritime finance to actively monitor, quantify and address climate change risks.

The Poseidon Principles were established in June 2019 by 11 financial institutions in Europe and the United States with the aim of contributing to the shipping industry's commitment to mitigating climate change risk, based on the medium- to long-term reduction target for greenhouse gases emitted from international shipping, which was adopted by the International Maritime Organization (“IMO”) (\*), in April 2018. Currently, 20 financial institutions are participating, mainly in Europe. Financial institutions that have signed the Poseidon Principles will evaluate the achievement of emission reduction efforts for their fleet of financed vessels and on an annual basis and will calculate and publish the CO<sub>2</sub> emission reduction contribution of their ship finance portfolio. SMFL plans to calculate and publish the contribution of CO<sub>2</sub> emission reduction from 2021.

In the midst of a global environmental crisis, we are setting out a commitment to respond to such a challenging issue as one of our most important responsibilities, and duties to society. Through the Poseidon Principles initiative, we will enhance our commitment to the decarbonization agenda, and support our maritime clients' financing needs in the context of contributing to the efforts to build a carbon-free and renewable energy based society.

(\*) International Maritime Organization (IMO)

IMO is the United Nations specialized agency with responsibility for the safety and security of shipping and the prevention of marine and atmospheric pollution by ships.

