

Statement on Human Rights

Introduction

SMBC GROUP's Management Philosophy stipulates that "we contribute to a sustainable society by addressing environmental and social issues". In recognition that respect for human rights is one of the key priorities for the business, SMBC GROUP has developed this "Statement on Human Rights" to demonstrate a continued commitment.

SMBC GROUP, as a global financial institution, is committed to respecting human rights as articulated in fundamental principles such as "the United Nations Universal Declaration of Human Rights", "the International Labour Organization's Declaration of Fundamental Principles and Rights at Work", "ISO26000", "the United Nations Guiding Principles on Business and Human Rights" and "the Children's Rights and Business Principles".

Through dialogue and collaboration with stakeholders, SMBC GROUP aims to eliminate all forms of exploitative labor practices in its business and supply chains, including modern slavery, forced labor, human trafficking and child labor. SMBC GROUP also strives to address other types of negative human rights impacts associated with business activities, to meet its responsibility as a global institution. While laws and regulations may differ between countries or regions, SMBC GROUP seeks to respect principles of internationally recognized human rights while complying with local laws and regulations where it does business.

Commitment to Respect Human Rights

SMBC GROUP commits to respect human rights, understood at a minimum, as those articulated in international principles. SMBC GROUP understands that it may impact on human rights through the course of its business activities or supply chain, and is committed to respecting human rights through due diligence, including human rights aspect, and remediation. If business activities are found to have caused or contributed to human rights abuses, SMBC GROUP endeavors to remediate the situation through appropriate means, including dialogue with its customers.

Roles and Responsibilities

The Board of Directors maintains oversight over SMBC GROUP's human rights related activities and receives regular reporting on these efforts. This Statement has been reviewed and approved by the Executive Committee. The Compliance Committee, chaired by the Group CCO who is responsible for overseeing compliance activities, monitors Group compliance, including efforts in relation to respecting human rights.

Scope of Application of the Statement

This Statement expresses SMBC GROUP's position on human rights and applies to all companies within the Group. All directors, officers and employees shall abide by and act in line with the principles and behavior set out in this Statement. SMBC GROUP's customers, suppliers and all other relevant stakeholders are also expected to comply with this Statement.

Our Employees

SMBC GROUP believes that its employees should be treated fairly and with dignity and that it should strive to ensure that it provides a workplace free from any type of abuse of employees' human rights, including but not limited to forced labor, harassment and discrimination without distinction of any kind such as race, gender, sexual orientation, gender identity, religion, creed, national origin, disability, family status and birth status. SMBC GROUP ensures that its recruitment and career progression processes are free from any such discrimination. SMBC GROUP also respects freedom of association and the right to collective bargaining.

It is also a guiding principle in SMBC GROUP's "Rules of Action", that every employee shall respect the human rights of other employees, and not engage in discrimination or harassment.

Where permitted by local laws, SMBC GROUP's employees are encouraged to identify and report immediately via SMBC GROUP's whistle-blowing program, without fear of retaliation, any conduct that the employee knows or reasonably believes would violate legal or regulatory requirements or ethical standards, which

include, but are not limited to internal policies and guidance in relation to human rights.

Those who violate these laws, regulations, policies, and guidance may result in disciplinary action, up to and including dismissal.

Our Clients

SMBC GROUP believes that it has an ethical responsibility to promote human rights by showing respect for human rights through its own behavior and by sharing its ethos with clients.

SMBC GROUP strives to know its clients to minimize the risk of the SMBC GROUP's products and services being used for improper purposes such as the commission or facilitation of offenses, which can be associated with human rights violations.

SMBC GROUP identifies potential environmental and social risks based on its "Consideration of ESG risks" policies. In compliance with the Equator Principles, SMBC GROUP conducts due diligence when undertaking lending for the projects with certain level. SMBC GROUP also confirms appropriate risk mitigation measures, including human rights aspect, are taken by project operators based on dialogue with customers and external experts. In addition, SMBC GROUP requests that project operators obtain Free, Prior and Informed Consent (FPIC) from indigenous peoples impacted by the project and to give due consideration to working conditions of the project.

SMBC GROUP commits to protect and respect customer privacy and does not discriminate against customers when providing services. SMBC GROUP will avoid business transactions if they are in conflict with SMBC GROUP's human rights responsibilities or if it is suspected that they could contribute, directly or indirectly, to exploitative labor practices.

Our Suppliers

SMBC GROUP commits to meet its responsibility to respect human rights in its

supply chain.

SMBC GROUP expects all of its suppliers to comply with all applicable laws and regulations in the countries where they operate. Further, SMBC GROUP encourages its suppliers to meet appropriate standards related to labor practices, wages and workplace safety and other labor issues.

Access to Remedial Measures

SMBC GROUP has systems in place (grievance mechanisms) through which various stakeholders can raise human rights issues associated with its business. Customers can contact SMBC GROUP through the call center, telephone, and website. Employees can raise their concerns via dedicated internal whistle-blowing channels. In such cases, anonymity of the whistleblower is duly protected to prevent any retaliation.

SMBC GROUP's customers can submit inquiries via the "Customer Opinion and Request", including any concerns regarding SMBC GROUP's products and services having negatively impacted their human rights. Issues raised will factor into considerations for improving business processes. When undertaking lending for the projects with certain level, project operators are required to establish grievance mechanisms for the affected communities and ensure user access.

Education for Respecting Human Rights

SMBC GROUP provides its employees with training on human rights issues such as achieving equality in employment opportunities and promoting workplace diversity. Through such training, SMBC GROUP works to raise employees' knowledge on human rights so that they can engage with customers with enhanced human rights awareness.

Understand and Disclose of Respecting Human Rights

SMBC GROUP is committed to communicating its efforts and progress on respecting human rights to its stakeholders through various channels, including its website.

Continuing Commitment

SMBC GROUP recognizes that its responsibility on human rights continues to evolve as society's expectations on business respect for human rights also grows. SMBC GROUP is committed to an ongoing review and assessment of its business practices and approach on human rights in light of changing global circumstances.