

Statement on Human Rights

Introduction: Commitment to Respect Human Rights

SMBC Group's Mission (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 its continued commitment through the provision of information and exchanges of views from appropriate experts.

As a global financial group and a supporter of the United Nations Global Compact, SMBC Group strives to meet its responsibility to respect human rights in cooperation with suppliers and customers, and in dialogue and cooperation with relevant stakeholders.

Human Rights Respected by SMBC Group

SMBC Group, at a minimum, commits to understand and respect internationally recognized human rights, such as the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. SMBC Group will also work to respect human rights based on international standards such as the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Action on Multinational Enterprises, the ILO MNE Declaration, and the Government of Japan's Guidelines on Respecting Human Rights in Responsible Supply Chains.

SMBC Group also draws on International Standard ISO 26000, the Guide to Social Responsibility, and the Children's Rights and Business Principles, developed jointly by UNICEF, the United Nations Global Compact and Save the Children.

Basic Views on Efforts to Respect Human Rights

SMBC Group is committed to respecting internationally recognized human rights in all aspects of its business activities, based on the "Behavioral Guideline on Compliance and Risk."

While laws and regulations may differ between countries or regions, SMBC Group

seeks to respect the principles of internationally recognized human rights while complying with the local laws and regulations of the regions where it does business. SMBC Group recognizes the adverse impacts on human rights resulting from climate change and the transition to a decarbonized society and is committed to advancing various initiatives and contributing to an orderly and just transition. Additionally, SMBC Group strives to prevent adverse impacts on human rights arising from technological advancements, including AI. Furthermore, SMBC Group acknowledges the critical role of human rights defenders and respects their rights.

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 Management Committee and the Board of Directors. The Management Committee discusses various measures necessary to promote SMBC Group's sustainability, including initiatives related to respecting human rights. Moreover, SMBC Group has established the Sustainability Committee as an internal committee of the Board of Directors. The Group CSuO will periodically report to the Sustainability Committee. SMBC Group is continuously enhancing its corporate governance and management frameworks.

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.

Human Rights Due Diligence

With a view toward respecting internationally recognized human rights, SMBC Group will continue to engage in dialogue with stakeholders and work to develop and enhance the system of human rights due diligence in order to identify, prevent and mitigate the adverse impact of its business activities on human rights.

In cases where SMBC Group caused or contributed to an adverse impact on human rights, SMBC Group will endeavor to remedy the situation through appropriate means in order to mitigate and reverse such impact and will also work with suppliers and customers to prevent and mitigate adverse impacts directly linked to its business, products and services. SMBC Group will also monitor the status of these efforts and will provide transparent disclosure to stakeholders about this series of initiatives.

Our Employees

SMBC Group believes that its employees should be treated fairly and with dignity. Based on this philosophy, SMBC Group strives to ensure a workplace free from any type of employee human rights abuse, including but not limited to forced labor, harassment and discrimination related to race, nationality, age, gender, gender identity, sexual orientation, religion, creed, culture, career, disability and caregiver responsibilities. 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.

Where permitted by local laws, SMBC Group's employees are encouraged to immediately report any conduct that they know or reasonably believe would violate legal or regulatory requirements or ethical standards, including but not limited to internal policies and guidance in relation to human rights, via SMBC Group's whistle-blowing program. Any disadvantageous treatment or retaliatory actions taken in response to whistle-blowing are strictly prohibited. Those who violate these laws, regulations, policies, and guidance may receive disciplinary action, including dismissal.

Our Customers

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 its customers.

SMBC Group not only commits to protect and respect customer privacy but also strives to ensure that its products and services do not have an unintended adverse impact on human rights.

Furthermore, SMBC Group strives to minimize the risk of its products and services being used for improper purposes such as crimes, which can be associated with human rights violations.

In order to prevent and mitigate SMBC Group's business activities, including investments and financing, from contributing to or being directly related to human rights violations, SMBC Group identified high risk business activities by adding the perspective of the likelihood of occurrence to the severity. SMBC Group is also working to implement human rights due diligence procedures within its risk management framework, such as conducting regular monitoring of those with high priority in order to prevent and mitigate human rights risks.

SMBC Group has established a fundamental principle under its "Cross-sectoral and Cross-business Policies," which states that it will not provide support for activities that are considered problematic in terms of public responsibility, and projects that are recognized to involve child labor, forced labor, or human trafficking.

In addition, recognizing the impact of environmental degradation, such as climate change and damage to natural capital, on human rights, SMBC Group has clearly defined the "Policies for Specific Businesses and Sectors" that are likely to have a significant impact on the environment and society.

Supporting the ideals behind the Equator Principles, SMBC conducts due diligence when undertaking lending for projects at a certain level. SMBC also confirms that appropriate risk mitigation measures, including from a human rights aspect, are taken by project operators based on dialogue with customers and external experts. In addition, SMBC requests that project operators obtain Free, Prior and Informed Consent (FPIC) from indigenous peoples impacted by the project and to give due consideration to the project's working conditions.

Our Suppliers

SMBC Group commits to meet its responsibility to respect human rights in its supply

chain.

SMBC Group has established the Sustainable Procurement Policy (Supplier Code of Conduct), which requires suppliers to comply with laws and regulations applicable to the countries in which they operate, as well as to seek their understanding and cooperation on appropriate standards considered by SMBC Group.

Access to Remedies

SMBC Group has established channels (grievance mechanisms) through which various stakeholders can raise human rights issues. To ensure that those who seek to report issues do not suffer retaliation or other disadvantages, SMBC Group is committed to protecting their anonymity and safeguarding them.

Furthermore, we will make efforts to establish and enhance a group-wide framework to provide appropriate remedies if it is found that SMBC Group has been involved in generating adverse impacts on human rights.

When undertaking lending for projects at a certain level, SMBC requires project operators to establish grievance mechanisms for affected communities and ensure user access.

Education for Respecting Human Rights

SMBC Group provides its employees with training on various human rights issues related to business and human rights. Through such training, SMBC Group aims to raise awareness of human rights in each employee while striving to strengthen engagement with customers based on sufficient knowledge of human rights.

Understanding and Disclosure of Respect for 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 regarding human rights continues to evolve as society's expectations for business' respect for human rights also grows. SMBC Group is committed to ongoing review and assessment of its business practices and approach to human rights in light of changing global circumstances.

Established: March 28, 2017

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