

## **Sustainable Procurement Policy**

### **1. Basic stance**

SMBC Group's Mission states "We contribute to a sustainable society by addressing environmental and social issues". Based on the "SMBC Group Statement on Sustainability", our basic principle to realize this Mission, we will engage and act together with customers and other stakeholders to contribute to the global transformation into a better society.

SMBC Group has here established its "Sustainable Procurement Policy" (hereinafter "the Policy"), a set of expectations to promote responsible procurement in its entire supply chain, in light of the environment and society. The Policy respects and takes into account international principles and guidelines, such as the ten principles of the UN Global Compact, the "OECD Guidelines for Multinational Enterprises", and the "United Nations Guiding Principles on Business and Human Rights".

Under this Policy, SMBC Group will comply with applicable laws and follow fair and transparent procedures based on the principle of free competition in its procurement activities.

### **2. Expectations for suppliers**

SMBC Group aims to realize sustainable procurement with its suppliers, and seeks suppliers' understanding and cooperation regarding the following:

#### **<Legal compliance>**

SMBC Group expects its suppliers to comply with all applicable laws and regulations in the countries they operate and to conduct clean businesses.

#### **<Human rights>**

SMBC Group expects its suppliers to understand that they may negatively impact human rights through the course of their business activities, and to have a commitment to respect human rights in their business activities, including those in their supply chains.

### **<Safety and health>**

SMBC Group expects its suppliers to comply with all applicable laws and regulations related to safety and health, and encourages them to meet appropriate standards related to labor practices, wages, workplace safety and health, and other labor issues.

### **<Environment>**

SMBC Group expects its suppliers to strictly comply with environment-related laws and regulations and to fulfill their social responsibilities through the conservation of resources and energy and the reduction of waste. SMBC Group anticipates that its suppliers will continuously make efforts to harmonize environmental preservation and pollution control with corporate activities.

### **<Fair and open business activities>**

SMBC Group expects its suppliers to comply with bribery and corruption laws and regulations. Suppliers must avoid involvement in activities that go against fair market competition and in giving or receiving illegal profits.

### **<Remedial measures>**

SMBC Group expects its suppliers to have grievance mechanisms in place, through which their employees and users who feel that the provided products or services have an adverse effect on them can raise their concerns and feel heard. Suppliers will keep their systems readily accessible to whistleblowers and will protect the anonymity of whistleblowers to prevent any retaliation.

### **<Information management>**

SMBC Group expects its suppliers to have systems in place for protecting and using personal information properly and to improve the system through continued efforts.