

SMFL Group Sustainable Procurement Policy

1. Basic stance

Sumitomo Mitsui Finance & Leasing (SMFL) Group has been promoting sustainability management by setting "Chosen for its commitment to SDGs management" as a part of Our Vision within the "SMFL Way."

SMFL Group has established its "SMFL Group Sustainable Procurement Policy" (hereinafter "the Policy"), a set of expectations for promoting responsible procurement throughout its entire supply chain, in consideration 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, SMFL 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

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

<Legal compliance>

SMFL Group expects its suppliers to comply with all applicable laws and regulations in the countries they operate and to conduct business in a fair and reputable manner.

<Human rights>

SMFL Group expects its suppliers to understand that they may cause and contribute to negative impact on human rights through the course of their business activities, and their operation, products and services may be directly linked to such negative impacts. SMFL Group also expects its suppliers to have a commitment to respect human rights in their business activities, including those in their supply chains. The activities include prevention of forced labor, child labor, the payment of unfairly low wages and discriminatory employment practices, respect for the rights of employees to associate freely.

<Labor>

SMFL 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 other labor issues.

<Environment>

SMFL 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. SMFL Group anticipates that its suppliers will continuously make efforts to harmonize environmental preservation, consideration for biodiversity and pollution control with corporate activities.

< Ensure the quality and safety of products and services>

SMFL Group expects its suppliers to ensure the safety standards related to product quality and safety, as defined by laws, regulations, and various industry associations, through the activities such as the establishment and operation of quality management systems.

<Fair and open business activities>

SMFL Group expects its suppliers to comply with bribery and corruption laws and regulations. Suppliers must avoid involvement in activities that violate fair market competition and in offering or receiving illegal profits.

<Remedial measures>

SMFL Group expects its suppliers to establish their own grievance mechanisms or introduce SMFL Group's mechanisms to stakeholders, , through which people who feel that their human rights may be adversely affected can raise their concerns and feel heard. SMFL Group also expects its suppliers to make their efforts to keep their systems readily accessible to people who may need or wish to use the mechanism and will protect the anonymity of them to prevent any retaliation. SMFL Group further expects its suppliers to implement appropriate remedy measures.

<Information management>

SMFL Group expects its suppliers to have systems in place for leaking of classified information, protecting and using personal information properly and to improve the system through continued efforts such as protecting against attacks from outside the company and conducting training for employees.