

# **Sumitomo Mitsui Banking Corporation**

## **Modern Slavery Statement**

### **in accordance with the *Modern Slavery Act 2015***

Head office: 1-1-2, Marunouchi, Chiyoda-ku, Tokyo, Japan

#### **Financial year ending 31 March 2020**

#### **Background**

By virtue of having established its London Branch, Sumitomo Mitsui Banking Corporation (SMBC) is required to comply with the Modern Slavery Act 2015 (the “Act”) of the United Kingdom.

The Act requires certain businesses to provide disclosure concerning their efforts to address the issues of Slavery and Human Trafficking in their supply chain.

The disclosure is intended to provide customers the ability to make better, more informed choices about the products and services they buy and the companies they support.

This document comprises the Slavery and Human Trafficking Statement of Sumitomo Mitsui Banking Corporation for the fiscal year ending 31 March 2020.

#### **SMBC’s structure and business**

SMBC is a banking institution, incorporated in Japan, and licensed and regulated by the Japanese Financial Services Agency (FSA). SMBC is a wholly-owned subsidiary of Sumitomo Mitsui Financial Group (SMFG).

SMBC has an extensive global network comprising 447 domestic branches, 19 overseas branches and a number of subsidiaries.

SMBC and its group companies offer a broad range of financial services, credit related business, and commercial banking activities, including, but not limited to: Corporate bond trustee & custody services, Credit card business, Deposit taking, Financial futures underwriting, Foreign currency exchange, Investment, Leasing, Lending, Money transfer, Mortgage securitization, Securities brokering and trading/investment, Venture capital.

Further information on SMBC’s business can be found in SMFG’s annual report and financial statements, which can be accessed at:

<http://www.smfg.co.jp/english/investor/financial/disclosure.html>

## **SMBC's stance on Slavery and Human Trafficking**

SMBC's approach to Slavery and Human Trafficking is that it should not be involved, directly or indirectly, in the commission or facilitation of any relevant offences.

SMBC expects its suppliers and customers to undertake ethical business practices, particularly in, but not limited to, economic sectors where there are higher risks of Slavery and Human Trafficking.

SMBC adheres to the group commitments to Corporate Social Responsibility (CSR), Environmental, Social and Governance (ESG), and the SMFG Statement on Human Rights, which recognizes the ethical responsibility to support and respect the protection of internationally proclaimed human rights, and to prevent complicity in human rights violations.

SMBC supports the principles of the "United Nations Global Compact," in relation to human rights, labor standards, environment and anti-corruption measures.

SMBC 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 is committed to maintaining and improving systems and processes to mitigate the risk that it might be involved, wittingly or unwittingly, in the commission or facilitation of Slavery and Human Trafficking in any part of its operations, customers and supply chain (including contractors and suppliers), products, services and staff activities.

SMBC also expects its staff, suppliers and business partners to adhere to the same high standards and to take reasonable steps to ensure that other third parties they do business with adhere to those standards as well.

### **Governance**

SMBC recognizes that the protection of human rights and its responsibilities thereof is an evolving area and is committed to an ongoing review and assessment of its business practices and approach to human rights in light of changing global circumstances.

SMBC seeks to ensure that it provides a workplace free from any type of violation 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.

In addition, an Anti-Slavery Policy has been implemented within SMBC London Branch, which sets out the processes through which it seeks reasonable assurance that none of its customers, business partners, suppliers and other third parties are involved in the commission or facilitation of Slavery and/or Human Trafficking.

The Anti-Slavery Policy is supplemented by procedures and detailed guidance on what constitutes an offence and the controls in place to mitigate the risk that the branch may be directly or indirectly involved in the commission or facilitation of Slavery and/or

## Human Trafficking.

SMBC complies with applicable laws and regulations in the regions and countries where it does business.

### **Supply Chain**

SMBC takes appropriate steps to verify, evaluate and mitigate the risk that Slavery and Human Trafficking may occur in its supply chain.

In Japan, SMBC has established Outsourcing Management Procedures, which require every office to perform due diligence on third parties in relation to Slavery and Human Trafficking by reviewing publicly available information.

In 2019, SMBC amended the Outsourcing Management Procedures to include suppliers, vendors, and other types of third party to be assessed under this framework.

SMBC has also established Outsourcing Management Procedures for Overseas Offices, which stipulates that overseas offices should conduct appropriate due diligence in relation to Slavery and Human Trafficking.

SMBC London Branch adopts the due diligence measures established by Sumitomo Mitsui Banking Corporation Europe Limited (SMBCE) and performs due diligence on suppliers and contractors, which includes identification and verification, determination of where suppliers and contractors operate, an analysis of the activity carried out and a detailed review of publicly available information.

### **Customers**

SMBC's Credit Policy prohibits granting credit to certain businesses and customers who associated with negative environmental risk. SMBC also prohibits loan origination for certain types of business where human rights abuses such as child labor are, or may be, taking place, or are likely to take place.

Furthermore, SMBC London Branch takes appropriate steps to identify, evaluate, and mitigate the risk that its products and services may be used by customers for the commission or facilitation of Slavery and Human Trafficking.

This comprises a series of checks on its customers, including, but not limited to, identification and verification, determination of where the customers operate, analysis of the activity carried out and a detailed review of publicly available information.

As part of the on-boarding and periodic customer due diligence processes in SMBC London Branch, all customers are assessed to determine if they fall within the scope of the Act, and, if so, a copy of their Anti-Slavery Statement is sought and retained.

By way of best practice, for those counterparties who are not in scope of the Act, SMBC London Branch will seek to obtain an equivalent policy or document relating to CSR, ESG or Human Rights.

Furthermore, in relation to trade finance, all transactions are subject to check to ascertain that the goods and country of origin are not related to the possible commission or facilitation of Slavery and/or Human Trafficking, and any concerns will require more detailed investigation and approval.

### **Staff**

All employees of SMBC are encouraged to report any conduct that they know or reasonably believe would violate legal or regulatory requirements or ethical standards.

The options for raising concerns and reporting are incorporated within SMBC's whistleblowing program.

Additionally, in order to ensure proper understanding of the risks posed by Slavery and Human Trafficking, the employees in SMBC London Branch receive specific training on Slavery and Human Trafficking and the requirements of the Act.

### **Slavery and Human Trafficking**

As used in this Statement, the above term refers to a variety of offences, including but not limited to:

Slavery, servitude and forced or compulsory labor;

Sexual exploitation, including all offences contemplated in the Part 1 of the UK Sexual Offences Act 2003;

Removal and trafficking of organs outside the context of authorized health treatments;

Securing services or other type of benefits by force, threats or deception; and

Securing services or other type of benefits from children and vulnerable persons.

## Approval

This Statement was approved by the SMBC Board of Directors on July 21th 2020 and has been signed on behalf of the Board by Mr. Tetsuro Imaeda, Director and Senior Managing Executive Officer.



Tetsuro Imaeda

Director and Senior Managing Executive Officer

Sumitomo Mitsui Banking Corporation