

Compliance and Fair Business Conduct

1. Basic Initiative Policy

The SuMi TRUST Group sees compliance as adhering to laws, regulations, market rules, and internal company rules, etc., in addition to conformity to social norms, so we can fulfill the expectations of the stakeholders (clients, communities and society, shareholders, and employees) and earn their trust as stated in our Management Principles (“Mission”). The Group positions compliance as one of the most important management issues necessary for creating “The Trust Bank (Vision)” we aspire to be, and is working to implement better best practices.

So that the Group can implement a proper compliance framework at “The Trust Bank,” the Codes of Conduct (“Value”) declare our “strict compliance with applicable

laws and regulations” and the Compliance Rules stipulate what directors, officers, and employees need to comply with.

In addition, the Compliance Manual, a detailed companion guide to the Codes of Conduct, offers (1) explanations of codes of conduct that must be followed regardless of one’s duties and (2) clarification on how to respond when one discovers illegal behavior, while the Compliance Handbook and Company Rules provide specifics of the understanding and awareness directors, officers, and employees need to have according to their duty. We thus implement compliance by following these codes of conduct strictly in our daily business operations.

Compliance Standards for Directors, Officers, and Employees

1. Earn the Trust of Society	We must establish public trust through awareness of our social responsibilities and public mission, as well as through sound business administration founded on strong self-discipline.
2. Offer Quality Financial Products and Services	We must carry out all the functions of a trust bank group and endeavor to provide clients with quality financial products and services.
3. Be Firm against Antisocial Forces	We must be firm against antisocial forces.
4. Prevent Abuse of Financial Functions by Organized Crime	In accordance with the “Anti-Money Laundering Compliance Policy,” we must make efforts to prevent abuse of our financial services by taking a firm stance against money laundering and terrorist funding, and by strictly complying with relevant laws and regulations.
5. Ensure Management Transparency	We must strive toward appropriate and fair disclosure of how we manage our business and information about SuMi TRUST Holdings to ensure management transparency.
6. Construct Sound and Normal Relationships with Concerned Parties	In accordance with the “Anti-Bribery and Corruption Compliance Policy,” we must strictly comply with applicable laws and regulations on preventing bribery and corruption as we avoid pursuing profits by improper means. With respect to public servants/deemed public servants, as well as shareholders and other concerned parties with a business interest, we shall not offer entertainment, favors, or the like beyond socially accepted courtesies, nor shall we accept such entertainment or favors from concerned parties or other third parties (unless permitted under laws, regulations, internal company rules, or the like).
7. Pursue Comprehensive Fairness	We shall always distinguish between business and personal matters, and in the course of business operations, we shall not take a position contrary to SuMi TRUST Holdings’ interests nor use one’s position to advance personal interests or those of a third party.
8. Pursue Comprehensive Information Management	We shall not release to others any information obtained in the course of business or confidential matters of SuMi TRUST Holdings. We shall not, for any reason, use important unpublicized information, SuMi TRUST Holdings’ business secrets, or the like for illicit gain, to cause harm to SuMi TRUST Holdings or others, or for other illegitimate purposes.
9. Recognize Duties as a Fiduciary	With regard to the trusts offered by the Group, we must recognize our obligation as a fiduciary toward settlors and beneficiaries, and as a fiduciary we must faithfully carry out our trust operations with the care of a good manager.
10. Prohibit Compensation for Losses	In the event that a client or other party suffers a loss originating from a financial product or service provided by the Group, losses shall not be compensated without rational grounds.
11. Improve Workplace Orderliness	We must respect individual people’s personalities and traits without discriminating in any situation. We must also emphasize, and constantly endeavor to sustain and improve, order in the workplace, thus ensuring a pleasant work environment.
12. Uphold our Fiduciary Duties	In accordance with the “Policies regarding the Fiduciary Duties of the Sumitomo Mitsui Trust Group,” we must endeavor to uphold our fiduciary duties.

Initiatives to Foster Compliance Awareness

With the approval of the Board of Directors, the SuMi TRUST Group has created a compliance manual which provides an explanation on the background and purpose of the Codes of Conduct and rules concerning laws, regulations, and other conventions to be adhered to, and measures to be taken in the event of any compliance infractions. The contents of this manual have been made

widely known to all directors, officers, and employees across the Group.

Furthermore, the Group is improving training on compliance throughout the entire Group to help foster an awareness of compliance matters. Specifically, support is provided with trainings carried out by supervising departments responsible for compliance at each Group company, such as by providing training materials,

dispatching instructors, and planning and implementing discussion-based study sessions on themes that span the whole Group.

In addition to the above, efforts are being made at each Group company to raise awareness and ensure thorough implementation of compliance matters through training and study sessions tailored to the characteristics of business and products at each company and the aspects of their clients, as well as through e-learning programs on specific themes and guidance on a daily basis.

Furthermore, in order to accurately ascertain how matters of compliance are being understood, the Group conducts an annual survey on compliance awareness each fiscal year at major subsidiaries and elsewhere, in an effort to understand the actual situation and improve any issues. The survey is an attempt to understand the situation of the entire Group by, for example, setting common questions in order to grasp Group-wide issues and to implement any effective measures.

2. Outline of Initiatives

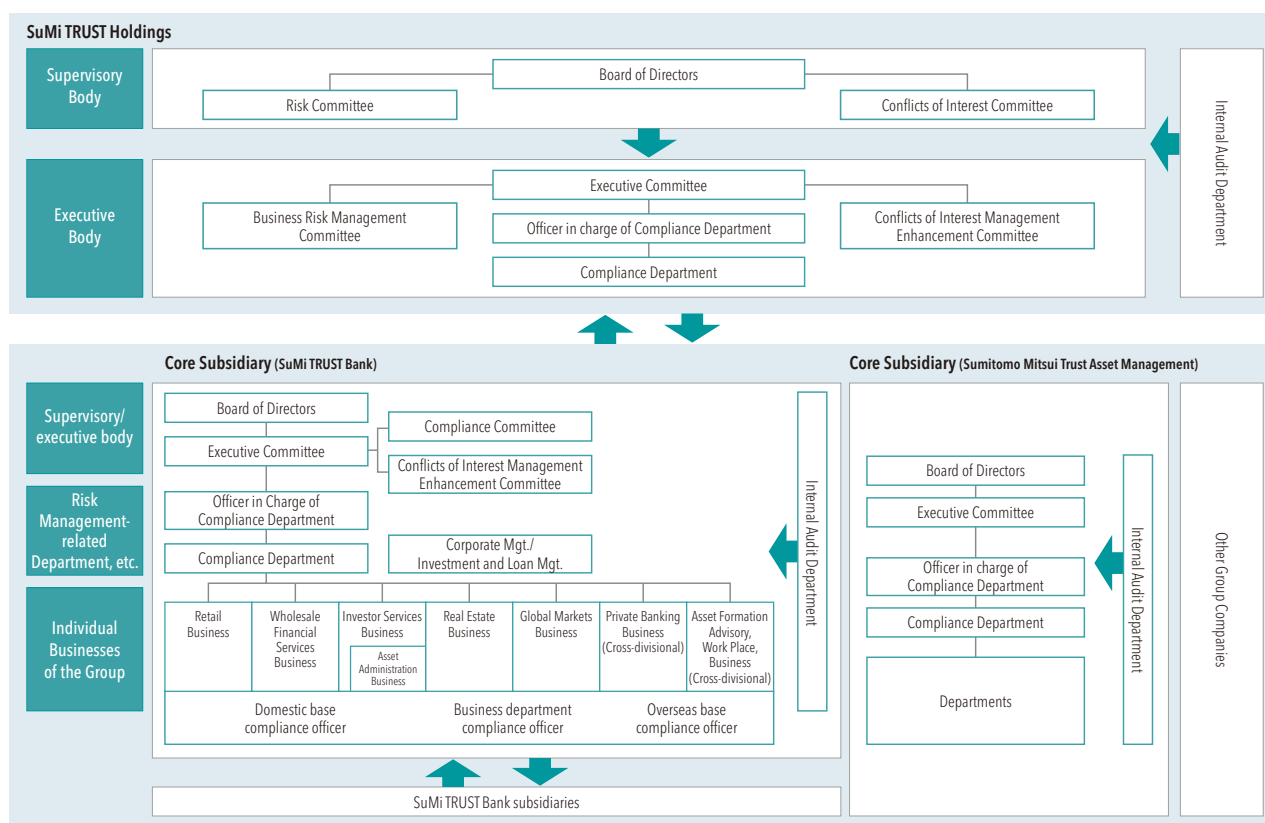
Compliance System of the Group

With the approval from the Board of Directors, the Group formulates a compliance program consisting of a detailed implementation plan for compliance each fiscal year, and the Board of Directors regularly monitors and evaluates the program's progress.

Furthermore, in order to maintain an appropriate compliance framework in line with the business characteristics of each Group company, we manage the compliance framework for the entire Group, such as by formulating compliance programs for each company and providing guidance and oversight on the state of progress and achievement of these programs. Additionally, risks related to compliance are designated as legal and compliance risk, which is one of the risk subcategories under operational risk.

Group companies create compliance structures that are suited to their operations and founded on the compliance policy and other guidelines prescribed by SuMi TRUST Holdings.

For example, the supervising unit for compliance at core subsidiary SuMi TRUST Bank is the Compliance Department. In accordance with SuMi TRUST Holdings' compliance policy, SuMi TRUST Bank formulates its own compliance policy and a Compliance Program, while also monitoring the state of management and administration. In addition, the state of management and administration and other states are reported to the Executive Committee and the Board of Directors upon verification by the Compliance Committee, which is chaired by the officer in charge of the Compliance Department.



The Roles of the Board of Directors, Executive Committee, and Compliance Department Officers

Board of Directors	<ul style="list-style-type: none"> • Establish the Group’s compliance framework, supervise execution • Set policy and organizational structure pertaining to compliance • Prepare the compliance manual, assess preparation, progress, etc. of the compliance program
Executive Committee	<ul style="list-style-type: none"> • In advance examine Board of Directors decisions and reports (decisions on compliance matters and matters on constructing frameworks for supervisory departments) • Matters concerning the approval and publicity of rules and regulations • Analyze the state of compliance, look into problems
Directors/Executive Officers	<ul style="list-style-type: none"> • Execute compliance-focused management while keeping in mind important points such as compliance’s importance and laws and regulations pertaining to assigned duties
Compliance Department Officers	<ul style="list-style-type: none"> • Review policies and concrete measures that establish and entrench a proper compliance framework based on an accurate understanding on the state of compliance in the Group
Compliance Department	<ul style="list-style-type: none"> • Generally supervise compliance in the Group • Prepare required rules for our compliance framework, implement action and guidance, address issues, augment the training system • With regard to the compliance program, formulate plans and manage progress, etc., provide guidance by monitoring the state of administration • Bring up and report to the Board of Directors, the Executive Committee, etc. on compliance matters

Compliance Hotline System

In order to promptly and appropriately respond to any serious violation of laws/regulations and internal rules, to acts that likely constitute such violation, or to acts that are inappropriate, the SuMi TRUST Group has established a compliance hotline system*1 where all officers and employees, etc. (including part time employees, dispatched employees, retired employees, and officers and employees, etc. of partner business operators, etc.) can directly report to the Compliance Department or external law firms, in addition to the regular reporting channels.

This hotline system enforces rigorous control of information and protection of whistleblower privacy to ensure their protection, and prohibits adverse treatment of whistleblowers who utilize the system appropriately and those who cooperate with investigations. In addition, in order to make the hotline system more accessible, we have also established simple reporting methods, giving whistleblowers the option to call external law firms or use SuMi TRUST Bank’s web-based 24-hour anonymous reporting system. Furthermore, in order to ensure unified management of the Group, SuMi TRUST Holdings has its subsidiaries establish systems equivalent to this system (as necessary).

Moreover, in order to promote the appropriate use of the system, SuMi TRUST Bank, one of the major subsidiaries, has taken the lead in establishing and providing Q&As and training tools for employees and others. Compliance awareness surveys are also implemented at major subsidiaries, etc. in order to gauge their level of awareness. We have put several measures into place, including providing our subsidiary companies with model internal regulations and conducting training sessions led by lawyers in response to the revision of the Whistleblower Protection Act, which bolsters safeguards for whistleblowers. As a result of the measures implemented to promote the use of the hotline system, the number of reported cases has

increased since fiscal 2019.

In addition to the above, the SuMi TRUST Group has established an accounting hotline system since fiscal 2017 to report inappropriate accounting, etc., and has disclosed contact points on its website*2 while also raising awareness of the system among subsidiaries and others. In addition, SuMi TRUST Bank has a personnel consultation desk (LGBTQ Consultation Desk) and other services to provide various consultations regarding unfairness and injustice in personnel management as well as on workplace harassment and human rights issues (see page 124 for details).

The table below shows the number of reported cases across the various systems.

	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021
Compliance Hotline System	12	16	30	31	35
Accounting Hotline System	0	0	0	0	0
Personnel Consultation Desk *Cases reported to SuMi TRUST Bank	65	76	68	73	85

*1 Overseas offices can report in their local language.

*2 For more information on the Accounting Hotline System, see the following page:
[WEB https://www.smth.jp/english/about_us/management/compliance](https://www.smth.jp/english/about_us/management/compliance)

Response at the Time of Compliance Violations

To effect an appropriate response when compliance violations by directors, officers, or employees are discovered, the Group clarifies “How to Respond to the Discovery of Illegal Behavior” in the Compliance Manual, a detailed companion guide to the Codes of Conduct, and obligates directors, officers, and employees to report to the Compliance Department through higher-ups. When the Compliance Department receives a report from a

department committing a compliance violation, the Compliance Department will conduct an investigation with the reporting department, coordinate with clients to reach a solution, submit reports in-house and to the authorities, determine whether a public announcement is necessary, and otherwise provide guidance and advice

on executing the required response in order to settle the issue. Along with verifying the appropriateness of measures to prevent recurrence by the violating department and its supervising unit, the Compliance Department will improve the report and control framework to deter and curtail accidents and to raise the quality of work.

3. Response to Major Compliance Risks

Major Compliance Risks

- Leakage of customer information
- Inappropriate acquisition and use of personal information
- Lack of credibility in products and services offered
- Violation of the principle of suitability
- Inadequate explanations to customers
- Insincere responses to customer consultations and complaints
- Relationships with customers that lack moderation
- Transactions with conflicts of interests
- Inappropriate accounting treatment
- Disregard for information disclosure
- Illegal payoffs
- Inhibiting free and fair competition
- Insider trading and other forms of unfair trading
- Violation of Foreign Exchange and Foreign Trade Act
- Infringement of intellectual property rights
- Opaque relationships with government authorities
- Dealings with antisocial forces
- Money laundering
- Financing of terrorism

Prevention of Money Laundering*¹

With the approval of the Board of Directors, the Group has published its Anti-Money Laundering Compliance Policy, making clear its resoluteness in standing up to money laundering.

In order to prevent abuse of financial services throughout the entire Group including at its overseas offices, the Company has established its global guidelines on AML/CFT*² as guidance across the Group for establishing a preventive framework. The Company oversees the Group's anti-money laundering framework and provides guidance on improvements towards any issues through regular risk assessments of the anti-money laundering framework at each Group company and by checking the implementation status of risk mitigation measures.

Each Group company implements risk mitigation measures for those identified risks. Specifically, in addition to checks based on laws and regulations at the time of opening an account or accepting remittances (Act on Prevention of Transfer of Criminal Proceeds, Foreign Exchange and Foreign Trade Act, etc.), rigorous screening is carried out including the hearings on aspects of the client and the purpose and details of the transaction. Additional hearings are also implemented depending on the degree of risk associated with money laundering.

Moreover, even after the start of a transaction, the

system monitors whether there has been any unlawful account activity, etc., and in the event that any transaction is suspected to be related to money laundering, etc., such activity will be properly reported to authorities in accordance with the reporting standards and procedures set forth in the internal regulations, with reference to the Suspicious Transaction Reference Cases published by the competent authorities. Should the use of financial services for fraudulent purposes become apparent, measures are taken, such as by promptly restricting transactions as necessary, to prevent further abuse of financial services.

Furthermore, in order to enhance the above framework, the Group provides support through in-house training on the prevention of money laundering, etc. in line with the business characteristics of each Group company and provides training materials and advice on obtaining professional qualifications, etc. By doing so, efforts are being made to improve the preventive framework against money laundering and other crime activities throughout the Group.

*¹ Money Laundering is the act of hiding a source of money obtained illegally (for example, through the sale of illegal drugs) by routing it through multiple bank accounts or financial instruments in order to make it appear as if the money had been obtained through legitimate means. Financing of terrorism refers to providing terrorists with the necessary funds to perform terrorist acts, such as bombings and hijacking. The Group terms the prevention of our financial services from being used for financial crime activities, such as money laundering and the financing of terrorism, as anti-money laundering measures.

*² AML: Anti-Money Laundering, CFT: Combating the Financing of Terrorism

Anti-Money Laundering Compliance Policy

1. Organizational structure

The SuMi TRUST Group has established and developed a comprehensive organizational structure and its Anti-Money Laundering Compliance Program for preventing money laundering and terrorist financing.

2. Management commitment

Top-level executives are assigned to be in charge of overseeing the Anti-Money Laundering Compliance Program.

3. Assessing money laundering risk

The SuMi TRUST Group conducts a periodic money laundering risk assessment, and based on it, implements and enforces its Anti-Money Laundering Compliance Program.

4. Customer Due Diligence

The SuMi TRUST Group has established and maintains risk-based customer due diligence, identification, verification and know your customer (KYC) procedures.

5. Sanctions list screening

The SuMi TRUST Group fully complies with applicable sanctions laws and regulations in every jurisdiction in which it operates, including filtering customers and other persons.

6. Suspicious activity monitoring and reporting

The SuMi TRUST Group conducts transaction monitoring on an ongoing basis to detect and report suspicious transactions to the appropriate regulatory body.

7. Training

All officers and employees are required to take appropriate training regarding anti-money laundering compliance on a regular basis.

8. Record keeping

The SuMi TRUST Group maintains appropriate records for the minimum prescribed record-keeping periods.

9. Disciplinary action

All officers and employees may be subject to disciplinary action, up to and including dismissal, in case of violation of applicable laws or internal rules.

10. Monitoring and testing

The SuMi TRUST Group regularly conducts monitoring and testing including internal audits for compliance with the Anti-Money Laundering Compliance Program through a risk-based approach.

Response to Antisocial Forces*

In order to realize the Group’s Management Principles and Ideal Model of “The Trust Bank,” the Group has declared its resolute stance against antisocial forces in its Codes of Conduct (“Value”), taking initiatives to prevent transactions with antisocial forces.

Specifically, in addition to incorporating a clause to exclude the involvement of organized crime group in various products and services as a check against antisocial forces and as a contractual justification to cancel any transactions if they are determined to be antisocial forces after the start of any transaction, a framework has been established to prevent transactions with antisocial forces by checking with a database operated by the National Police Agency, via the Deposit Insurance Corporation of Japan, mainly for new loans for individual clients. In addition, we have a framework in place to check whether the counterparty to a transaction is an antisocial force after the commencement of the transaction. In the event that a party is identified as an antisocial force, we have established a framework that allows us to take measures in close coordination with external specialist organizations, such as the police, such as to dissolve transactions with the party.

Additionally, training for the prevention of transactions with antisocial forces is provided to directors, executive officers, and employees once every fiscal year to improve awareness of preventing such transactions.

*Antisocial forces refer not only to organized crime groups and their members, but also to individuals and companies related to these groups that threaten the order and security of civil life.

Prevention of Insider Trading

In order to prevent insider trading, the Group strictly manages and stipulates the reporting obligations, delivery and management practices for insider information that may be obtained during the execution of working duties in its Rules on Insider Information Management.

In 2018, the asset management function of SuMi TRUST

Bank was integrated into Sumitomo Mitsui Trust Asset Management Co., Ltd. (SMTAM) to strengthen the asset management business, which is positioned as the Group’s growth business, thereby establishing a strict information blocking system with other Group companies.

As well as having particularly strict controls and information blocking to prevent insider information from being leaked to departments that handle investments (asset management), SMTAM has established its Guidelines on Contact, etc. with Securities Companies, etc. prohibiting improper contact between our employees in charge of investing and sales persons at securities companies.

In addition, the Group has established a training framework for preventing insider trading in a way that is tailored to each company’s situation. For example, our core subsidiary SuMi TRUST Bank conducted two rounds of training for all employees (in addition to four rounds a year for Stock Transfer Agency Services Business), while all directors, officers, and employees submit a vow twice a year (four times a year in the Fiduciary Services Business) that includes a pledge to comply with internal company rules on preventing insider trading.

Progress in the implementation of the measures to prevent recurrences of insider trading

We have implemented all the measures to prevent recurrence of insider trading that were announced by the SuMi TRUST Group in March and June 2012.

In addition, while investment services at SuMi TRUST Bank were integrated into Sumitomo Mitsui Trust Asset Management on October 1, 2018, SuMi TRUST Holdings will continue to take a lead in conducting regular monitoring of how the preventive measures are being implemented and entrenched to prevent recurrent insider trading.

*Details of the violation of insider trading regulations that occurred in 2012 are described in the 2012 CSR Report.

Initiatives to Prevent Bribery and Corruption*

In order to prevent the exchange of entertainment and gifts in violation of laws, regulations, social practices, and customs, the Group has published its Anti-Bribery and Corruption Compliance Policy with the approval of the Board of Directors, and is implementing a program against bribery and corruption under the supervision of the management team. The program is reviewed and improved through regular risk assessments on bribery and corruption, and at overseas offices where bribery and corruption risks are particularly high, the Group is working to improve its system for preventing bribery and corruption, such as by building close coordination with local legal offices to allow for swift and proper responses. In addition, the Group complies with laws and regulations regarding political funds, etc., such as only targeting political parties and political fund organizations for donations related to political activities, and appropriately obtains the necessary prior approval for the expenditure of donations (the Group's political donations amounted to 10 million yen in fiscal 2021).

Next, to make sure we abide by anti-bribery initiatives, the Group periodically conducts monitoring to confirm the

state of implementation, and every fiscal year conducts training for directors, officers, and employees. These training sessions are aimed at raising awareness of the Group's stance on bribery and corruption, the necessary pre-approval procedures such as the absence of conflicts of interest with counterparties (e.g., licensing, subsidies, contracts), and acceptable guidelines (e.g., when dealing with public officials who are not stakeholders of the Company). Additionally, departments that are more likely to face bribery risks, such as business management, wholesale, and investment and loan-related departments, are required to undergo additional specialized training and submit a pledge of compliance. For more effective training at overseas offices, the Group provides training based on the regulations of the country in which the office is located, as well as lecture-based training with local lawyers as lecturers.

There have been no incidents of bribery or corruption in the Group.

*The Group defines bribery and corruption as the act of offering, promising, or providing entertainment, gifts of money or goods, or other benefits with the intent to improperly influence the counterparty, and the act of receiving or requesting goods or services with the intent to improperly benefit the provider.

Example Initiatives in Anti-Bribery and Corruption Programs

Prior authorization system for entertainment, gift-giving, etc.	For corporate action that could lead to bribery or corruption—including of course entertainment and gift-giving, as well as bearing expenses, making donations, or providing aid—we manage this action to require prior authorization, even if the said action is permitted under relevant laws, regulations or other rules
Centralized Hiring and Trainee Acceptance	To prevent illegitimate provision of benefits through hiring or trainee acceptance, we have built mechanisms that are centrally managed by HR departments
Obligatory due diligence before concluding certain contracts, training for directors, officers, and employees	To address the risk of funds being provided through consultants or other third parties, due diligence on the said third parties is obligatory before concluding certain kinds of contracts
Monitoring and testing (including internal audits)	Periodic monitoring and testing verify the state of implementation on an individual basis

Anti-Bribery and Corruption Compliance Policy

1. Management commitment

Top-level executives are assigned to be in charge of overseeing the Anti-Bribery and Corruption Compliance Program.

2. Assessing bribery and corruption risks

The SuMi TRUST Group conducts a periodic bribery and corruption risk assessment, and based on it, implements and strengthens the Anti-Bribery and Corruption Compliance Program.

3. Pre-approval before providing entertainment and gifts

All officers and employees are required to obtain pre-approval before providing any form of facilities such as entertainment, gifts, or donations to any governmental officials or any related persons even where it is specifically permitted by law or regulation.

4. Compliance with laws and regulations regarding political activities and political funds

The SuMi Trust Group complies with all laws and regulations regarding political activities and funds, such as limiting donations related to political activities to political parties and political fund-managing organizations. In addition, the expenditure of donations related to political activities is appropriately handled with necessary prior approval.

5. Conducting appropriate due diligence

When establishing a new relationship with a third party, including an agent or consultant, or merger and acquisition targets, the SuMi

TRUST Group conducts due diligence regarding bribery and corruption risks through a risk-based approach.

6. Overseeing employment and trainee acceptance

The SuMi TRUST Group verifies the appropriateness of hiring employees and accepting trainees to clear up doubts that the Group offers illegal profits to any governmental officials or any related persons.

7. Training

All officers and employees are required to take appropriate training regarding anti-bribery and corruption on a regular basis.

8. Whistle-blowing system

If a violation related to bribery or corruption is detected, all officers and employees can use a whistle-blowing system with a prohibition against any retaliation for anyone who makes a report in good faith.

9. Disciplinary proceedings

All officers and employees may be subject to disciplinary action, up to and including dismissal, in case of violation of applicable laws or internal rules.

10. Monitoring and testing

The SuMi TRUST Group regularly conducts monitoring and testing including internal audits for compliance with the Anti-Bribery and Corruption Compliance Program through a risk-based approach.

Prevention of “Dango” Bid-Rigging and Cartels

To comply with the Antimonopoly Act, the Group has instituted the Company Code of Conduct for the Antimonopoly Act in the compliance manual. This code of conduct spreads awareness among directors, officers, and employees by providing them with comprehensible and relatable content, which includes specific examples using problems that could occur in the course of business at the Group.

Furthermore, at group companies we have created rules for checking up on prohibited concerted action, abuse of one’s dominant position, false or exaggerated advertising and the like as a means of strict management to remain compliant with the Antimonopoly Act.

Protection of Intellectual Property Rights

The Group’s compliance manual contains a policy on respecting intellectual property rights. Directors, officers, and employees are strictly prohibited from engaging in the unauthorized duplication or use of other people’s copyrighted materials or the like. To further properly defend intellectual property rights, the Group writes internal rules for the proper use of such rights belonging to group companies.

Conduct Risk Management

1. Conduct Risk

As a trust bank group, we have a responsibility to meet the deserved expectations of our stakeholders and earn their trust, and we are expected to act in a way that fulfills that responsibility based in the high professional ethics and self-discipline that is born out of the fiduciary spirit.

Any inappropriate behavior that fails to meet these expectations could potentially have a negative impact on our clients, our working environment, the market, and society itself.

Examples would include damage to our credit and other non-financial burdens, or the levying of fines, lawsuit settlements, and other financial burdens.

The Group recognizes these risks as significant, and they are managed as conduct risk, a sub-category of operational risk.

The Group classifies conduct risk as any action that could have a negative impact on the Group, the working environment, our clients, the market, the financial infrastructure, or society due to an officer or employee of a Group company engaging in behavior that violates professional ethics or otherwise fails to meet expectations among stakeholders or damages their trust in us. Each Group company is working to create a PDCA cycle to

regulate this possibility by defining and evaluating conduct risk, implementing risk control measures, and more.

2. Conduct Risk Management Initiatives

The Group recognizes that any situation that could lead to public questioning of the Group’s corporate ethics and attitude is a risk, so we consider conduct risk management to be the effort to prevent such situations by regulating behavior that could lead there.

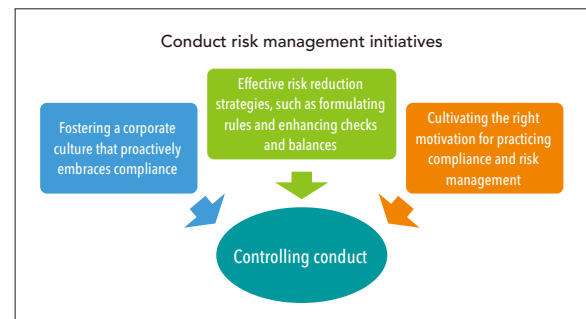
For example, the behavior of each Group company’s officers and employees is often a reflection of their own beliefs, and that is where risk begins. It is important for these officers and employees to not simply comply with the rules every day, but to rather return to the position of professional ethics and have a shared understanding that what is important is to act with the customer in mind.

For this reason, conduct risk management in the Group is founded on assumption that reducing risk can be achieved by maintaining professional ethics, having a positive impact on stakeholders, and promoting better and best practices for clients.

In order to manage conduct risk, the Group is simultaneously working on a combination of measures that include the establishment of a steadfast administrative system that keeps misconduct and other inappropriate behavior in check, the nurturing of a corporate culture that encourages individuals to independently address risks that arise in the course of their work, and incentives to encourage such autonomous behavior.

Primary Conduct Risk Initiatives

- Identification, evaluation, and preventative monitoring for signs of conduct risk
- Collection of information from both inside and outside the Group to gain a better understanding of potential and unrecognized risks
- Cultivation and dissemination of a corporate culture that looks out for risk
- Conducting of employee awareness surveys



Taking Appropriate Actions Guided by Our Standards of Conduct

At the Group, Our Standards of Conduct outline the basic philosophy that guides the actions of all executives and employees at Group companies. They are publicly accessible on our website.

Our Standards, shaped by the insights from discussions among Group employees, encompass 25 items revolving around four pillars: Actions for Our Clients, Actions for Ourselves (Employees), Actions for Society, and Actions for Shareholders.

By adhering to these guidelines, every executive and employee within the Group can help us to meet the expectations placed on us and contribute to the generation of new value.



WEB https://www.smth.jp/english/-/media/th/english/about_us/management/standard/pdf/our_standards_conduct.pdf

The SuMi TRUST Group's Basic Policies on Tax Compliance

The Group recognizes that properly fulfilling tax obligations is an important social responsibility.

The Group has established the basic policy on tax compliance by resolution of the Executive Committee in order to raise the tax awareness of the Group's officers and employees, appropriately manage taxation, and conduct corporate activities while balancing the interests of all stakeholders, including clients, investors, national governments, and local communities.

Based on this policy, we comply with the tax laws, notices and guidelines of each country, tax treaties, OECD transfer pricing guidelines, BEPS*1 action plan, etc., and strive to pay appropriate taxes and prevent tax avoidance activities in violation of these laws*2.

The Group does not engage in transactions solely for the purpose of aiding tax avoidance or transfer of income. Under the direction of the Chief Financial Officer, who is responsible for taxation, the Group's tax team and the management of the Group's domestic and overseas offices work together to carry out tax-related work in line with this basic policy. In addition, we strive to improve tax literacy by utilizing specialists in order to comply with the tax laws of each country and contribute to proper tax payment.

In addition, highly important matters are reported to and resolved by the Board of Directors.

*1 BEPS: Base Erosion and Profit Shifting

*2 For more information, please refer to the UK Tax Strategy

PDF https://www.smth.jp/-/media/th/about_us/management/compliance/pdf/UK_Tax_strategy.pdf

Tax Compliance Policy

Tax Law Compliance

We comply with rules regarding taxes such as national tax laws, directives and tax treaties and properly fulfill our tax obligations.

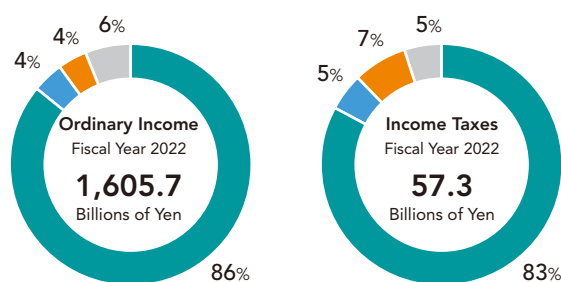
Response to Tax-related Risks

The Group recognizes risks relating to taxes as an important issue from a management viewpoint. In a context where we balance the interests of various stakeholders such as clients, investors, national governments and local communities from an overall perspective, we appropriately manage tax-related risks and conduct our corporate activities.

Relationship with the Tax Authority

We build a relationship of trust with the tax authority by enhancing transparency through information disclosure and other means.

The Group documents transactions that comply with the principle of arms' length transactions between independent companies for transactions that cross borders but are between Group companies. We have put into place systems we can explain to the tax authority of each country where we operate.



Legend: Japan (Teal), Europe (Blue), Asia (Orange), Others (Grey)

Ordinary income and tax payments by Country are posted based on the Country-by-Country Report submitted to the tax authorities.