

SuMi TRUST's response to Japan's Steward Code:

"Principles for Responsible Investors"

Principle 1: Institutional investors should have a clear policy on how they fulfil their stewardship responsibilities, and publicly disclose it.

We have a stewardship responsibility over our assets under management. In order to fulfil our Stewardship responsibilities, we aim to maximize the medium- to long-term investment returns for our clients (beneficiaries) by promoting the enhancement of corporate value and sustainable growth of the investee company through engagement and the exercise of voting rights based on a deep understanding of the investee companies and its business environment, as well as consideration for medium- to long-term sustainability including ESG factors.

Principle 2: Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.

As part of our stewardship responsibility, we will appropriately manage conflicts of interest under our "Conflict of Interest Management Guidelines".

Under our group-wide mission of "establishing trust by practicing sound management based on a high level of self-discipline and our fiduciary spirit," we will further advance our conflict of interest management structure for the entire group and thoroughly implement our fiduciary duties across all business lines.

On conflicts of interest arising from stewardship activities, we place our clients' (beneficiaries) interest first, and adhere to strict management practice under our internal Conflict of Interest Management Rules, and the Investment Operation Rules. In addition, we have already disclosed the outline of policies defined in provisions on conflicts of interest in the fiduciary business.

At the Company, the executive officer in charge of the Stewardship Development Department (hereinafter, the Officer) exclusively holds all authority relating to our exercise of voting rights, independent from the authority to execute other business activities, to exclude a conflict of interest that is likely to arise in relation to exercising voting rights. We specifically define a conflict of interest as the exercise of influence, attributable to, among other factors, significance of business partners and extensiveness of business transactions, of other divisions on the investment division. We have excluded the exercise of influence, attributable to, among other factors, significance of business partners and extensiveness of business transactions, of other business activities on asset management operations, which are concrete examples, in relation to a conflict of interest, likely to arise when exercising voting rights. We have also established the "Stewardship Activity Advisory Committee" (hereinafter, the Advisory Committee), the majority of whose members are composed of independent outside experts. The Advisory Committee is a body established to make recommendations for various activities under the Code. Regarding our exercise of voting rights, the committee will make recommendations for the establishment, revision, or abolition of the guidelines for the exercise of voting rights, decisions concerning whether to support proposals not stipulated in

these guidelines, appropriateness of interpretation of these guidelines for an individual proposal, and verification and improvement of the decision-making process on the exercise of voting rights on a proposal in connection with which a conflict of interest may occur. The Officer in charge of the Stewardship Development Department assigns maximum value to the recommendations of the Advisory Committee and makes decisions accordingly. Any recommendations for improvement on the exercise of voting rights received from the Advisory Committee shall be respected to the maximum extent and acted upon immediately.

Principle 3: Institutional investors should monitor and grasp the status of investee companies so that they can appropriately fulfil their stewardship responsibilities with an orientation towards the sustainable growth of the companies.

In order to appropriately fulfil our stewardship responsibility by ensuring the sustainable growth of the investee company, we will monitor and grasp the status of the investee company.

We believe that it is important to evaluate investee companies from a medium-to-long-term standpoint. Thus, we try to accurately grasp and understand the company financials, ESG-related information, effectiveness of each investee company's management, business foundation, target market trends, effectiveness of the business strategy, and non-financial information relating to sustainable growth. By continuously monitoring and researching the investee company, we can effectively grasp the individual circumstances of that business.

In addition, we will endeavour to identify at an early stage issues that may result in a material loss in the value of investee companies by conducting research on environmental and regulatory changes, and make every effort to avoid scandals, accounting fraud and other credit risk events.

Principle 4: Institutional investors should seek to arrive at a common understanding with investee companies and work to solve problems through constructive engagement with investee companies.

Our analysts will have regular contact with management, planning and finance officers of the investee companies and monitor the status of each company and conformity with our investment strategies. Thereby, we will endeavour to reach a common understanding with each investee company with the view of enhancing its corporate value through engagement whilst maintaining sustainable growth.

Principle 5: Institutional investors should have a clear policy on the exercise of voting rights and disclosure of the results thereof. The policy on the exercise of voting rights should have criteria that are not based merely on formality, but rather it should be designed to contribute to sustainable growth of investee companies.

We publicly disclose our voting record for each resolution for every company each quarter by explicitly indicating our relationship based on objective information for all investee companies.

As always, we make public disclosures through our website by aggregating the results for all investee companies every quarter. In addition, we disclose the reasons for our approval/disapproval on each resolution for which there is a potential conflict of interest, or for which we have made a judgment that requires explanation based on our policy on the exercise of voting rights.

As a general rule, we do not receive advice from proxy advisory companies. However, we receive proxy advisory services in cases where there may be a conflict of interest in the exercise of proxy voting of shares, such as our treasury shares (shares in Sumitomo Mitsui Trust Holdings, Inc.) In such case, we have the proxy advice assessed by the Advisory Committee as an appropriate means to manage conflict of interest before we exercise the proxy voting rights. In such cases, we will disclose the name of the voting advisory firm.

Principle 6 - Institutional investors in principle should report periodically on how they fulfil their stewardship responsibilities, including their voting responsibilities, to their clients and beneficiaries.

In order to fulfil our stewardship responsibilities, including their voting responsibilities, we will periodically report to our clients and beneficiaries.

As part of our stewardship responsibilities, we will make periodic reports via our website and other means, on our voting records, dialogue with investees, and minutes of the Advisory Committee meetings. We will maintain all records such as the status of exercising voting rights and dialogue cases. On the reporting format and contents, we will reflect our clients' (beneficiaries') needs therein and make changes as necessary.

Principle 7 – In supporting the sustainable growth of investee companies, we are expected to possess in-depth knowledge of investee companies, their business environment as well as consideration to their sustainability that is in conformity to our investment strategy and skills and resources needed to appropriately engage with the companies and make proper judgments in fulfilling our stewardship activities.

To make dialogue with investee companies constructive and beneficial, and to contribute to the sustainable growth of the companies, we will develop the skills and resources needed to appropriately engage with investee companies and to make proper judgments based on in-depth knowledge of the companies and their business environment as well as consideration of sustainability that is in conformity to our investment strategy.