

Sumitomo Corporation Group Compliance Policy



Sumitomo Corporation Group's Corporate Mission Statement

Corporate Vision

We aim to be a global organization that constantly stays a step ahead in dealing with change, creates new value, and contributes broadly to society.

Management Principles

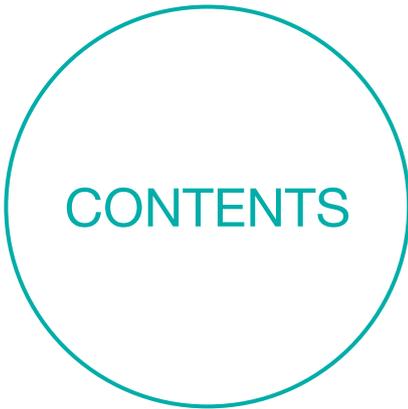
[Corporate Mission] To achieve prosperity and realize dreams through sound business activities

[Management Style] To place prime importance on integrity and sound management with utmost respect for the individual

[Corporate Culture] To foster a corporate culture full of vitality and conducive to innovation

Activity Guidelines

- To act with honesty and sincerity on the basis of Sumitomo's business philosophy and in keeping with the Management Principles
- To comply with laws and regulations while maintaining the highest ethical standards
- To set high value on transparency and openness
- To attach great importance to protecting the global environment
- To contribute to society as a good corporate citizen
- To achieve teamwork and integrated corporate strength through active communication
- To set clear objectives and achieve them with enthusiasm



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Dear all directors, officers and employees of the Sumitomo Corporation Group companies,

On my inauguration day as President and CEO of Sumitomo Corporation, I made an address to all 60,000 fellow colleagues, including all directors, officers and employees working in any of the Sumitomo Corporation Group companies across the globe, about the dreams and aspirations which I am determined to accomplish together.

- Working hand-in-hand to enrich not only our employees' lives, but also the broader society
- Striving to make our society more exciting through our business – the society to which the Fourth Industrial Revolution is bringing major changes

In order to achieve these dreams and aspirations, I hope the Sumitomo Corporation Group will always be a group of people who continue, simply and steadily, to use their best efforts.

What we need to do to achieve our dreams

We live in a time of major changes, that is, the Fourth Industrial Revolution. As we strive to create new value and transform ourselves as is necessary to continue to grow in such changing times, we must remember that our Corporate Mission Statement based on Sumitomo's Business Philosophy will continue to be our foundation.

The Sumitomo Corporation Group has always been able to grow together with the changing times, but the changes we are about to experience are expected to be faster and greater than those of the past. While the world and traditional values drastically change, we shall base our decisions on our values set forth in our Corporate Mission Statement, and through sound business activities, strive to achieve steady and sustainable growth in harmony with society.

What we cannot change

Throughout Sumitomo's history spanning over 400 years, we can see the continuous efforts of our predecessors to realize our Corporate Mission Statement. Such unbroken efforts have been passed on to us in the form of “信用 (*Shin-You*)” – meaning “integrity” and “trust” – which is an irreplaceable asset of our Group. In these changing times, our customers and business partners will also be taking on more challenges with greater uncertainty. What they can rely on under such situations is the trust that we are a reliable partner with integrity. When we lose their trust, we will lose their business. Without “信用 (*Shin-You*)”, or “integrity” and “trust”, the Sumitomo Corporation Group cannot remain in existence.



The Sumitomo Corporation Group's approach to achieve Compliance

When each of us performs our daily work in accordance with our Activity Guidelines that states, "To comply with laws and regulations while maintaining the highest ethical standards", we are protecting the trust that has been passed down through our long history, and this daily effort is precisely the starting point of our compliance program.

We must continue to follow our principles of "**Compliance as Top Priority**", which means that we must never take part in any actions that are questionable from a compliance perspective, and "**Immediate Report**", which means that, in the event of a compliance issue, employees must report the situation without any delay to their managers or the relevant persons or departments.

There is one thing I would like for all of my colleagues to understand in relation to the principle of "Compliance as Top Priority". When we do business, there may be situations in which the company's profit and compliance come into conflict. In such situations, we must never violate compliance by giving priority to the pursuit of profit. The Sumitomo Corporation Group consists of companies located across the globe and which are members of various industries. However, what is common among all of us is that our businesses are based on society's trust towards the Sumitomo Corporation Group, and we must conduct business with integrity to meet the expectations of society. The "Compliance as Top Priority" principle is an essential part of our Corporate Mission Statement, and it is a code of conduct for each and all of us who work in the Sumitomo Corporation Group companies.

The principle of "Immediate Report" does not mean that simply reporting a compliance issue is enough; rather, the aim of this principle is to ensure that compliance issues are reported to the management immediately, which will enable us to gather the expertise of the relevant departments and promptly resolve the situation in the best manner. It is important that compliance violations, or situations which suggest the possibility of compliance violations, are reported immediately.

Compliance is a major prerequisite for any business activity to be worthy of society's trust. In order to maintain this trust, we must raise our sensitivity towards changes in society's values and maintain the highest ethical standards. When in doubt or under pressure, employees must report to and consult with their managers without hesitation, and managers must give their full attention to their team members. Use teamwork and communication to deal with such difficult situations.

The spirit of compliance of the Sumitomo Corporation Group is something that has been passed down unbroken, and which must be passed on to future generations. Compliance is not something that has been forced upon us. Compliance is something that each and every one of us sincerely puts into practice every day from our own will, as we interact with our business partners, colleagues, and society, while observing rules and ethics and maintaining integrity.

This "Sumitomo Corporation Group Compliance Policy" is a guide for all those who work in the Sumitomo Corporation Group companies. I ask my colleagues to keep this Policy in mind while performing their daily work, so that we can realize the goals embodied in our Corporate Mission Statement and accomplish our dreams together.

March 2019



Masayuki Hyodo
Representative Director
President and Chief Executive Officer
Sumitomo Corporation

About this Group Compliance Policy

Who does this Group Compliance Policy (or the “Policy”) apply to?

This Group Compliance Policy has been established to describe the Sumitomo Corporation Group’s approach to compliance and provide guidance to all people working in any of the Sumitomo Corporation Group offices across the globe. No matter where we are, this Policy should act as a guide to assist our efforts to fully comply with the applicable laws, rules and ethical standards at all times.

The Group Compliance Policy applies to all directors, officers, employees, contract employees, part-time employees, employees temporarily assigned to companies outside of the Group and temporary employees (“Employees”) of any of the companies within the

Sumitomo Corporation Group. “Sumitomo Corporation Group” or “Group” shall mean, within this Policy, Sumitomo Corporation and its direct or indirect subsidiaries. Subsidiaries are any entities in which Sumitomo Corporation owns, directly or indirectly, more than 50 percent of voting rights or which Sumitomo Corporation otherwise has the right to control. Any company within the Sumitomo Corporation Group is a “Sumitomo Corporation Group company”.

We are all required to understand this Policy and put it into practice while performing our daily work.

How does the Group Compliance Policy interact with the laws or company rules?

Relationship between the Group Compliance Policy and the policies and rules of each Sumitomo Corporation Group company:

This Group Compliance Policy explains the key principles related to compliance which must be followed by all Employees across the Group. Employees should note that this Group Compliance Policy does not cover all of the policies, rules or other standards which apply to each Employee. The policies and rules of each Sumitomo Corporation Group company should be based on this Group Compliance Policy and provide greater detail to take into account the local and industry-specific laws and regulations.

The policies and rules of each Sumitomo Corporation Group company must be consistent with the Group Compliance Policy. If a Sumitomo Corporation Group company has already established such policies and rules, Employees of such company should continue to comply with such company’s policies and rules.

Relationship between the Group Compliance Policy and the laws and regulations of each country or region:

The Sumitomo Corporation Group does business across the globe. Accordingly, our Employees must comply with the laws and regulations of various countries and regions.

- If a local law or regulation requires a higher standard than this Group Compliance Policy, we must comply with such law or regulation.
- If the standard required by the local law or regulation is lower than the standard of this Group Compliance Policy, we must apply the standard of this Policy.

What are the employee’s responsibilities?

All Sumitomo Corporation Group company employees are expected to perform the following responsibilities.

You must:

- Understand this Group Compliance Policy (or, if your company already has an appropriate policy and/or rule, understand such policy and/or rule) and put it into practice while performing your daily work. When in doubt about compliance while performing your work, refer to this Group Compliance Policy.
- Comply with all laws, regulations and government orders

applicable to our business while maintaining the highest ethical standards.

- Make an “Immediate Report” when you become aware of a compliance issue, no matter how minor the issue. (A further explanation on “Immediate Report” is provided below.) You must also cooperate in good faith with any investigations or audits that the company or Group may conduct regarding the issue.

What are the management's responsibilities?

In addition to the employee's responsibilities, the management of each Sumitomo Corporation Group company is expected to perform the following responsibilities.

You must:

- Frequently send clear messages to your company that the company's first priority is compliance.
- Clearly demonstrate, both in action and words, that compliance comes first. If your company is ever in a situation where profit and compliance are in conflict, you must never leave the decision to be made by your staff and you must take the necessary steps to ensure that compliance is prioritized.
- Make sure that your company's Employees understand this Group Compliance Policy (or, if your company

already has an appropriate policy and/or rule, make sure they understand such policy and/or rule) and can apply it in their work. Educate the Employees as necessary to achieve this.

- Properly respond to, and deal with, every compliance issue reported to you through each "Immediate Report". Do not neglect or make light of any compliance issue, no matter how minor it may seem.
- Foster and maintain an ethically sound workplace environment characterized by effective communication among all members of the company.

How should I report a compliance issue?

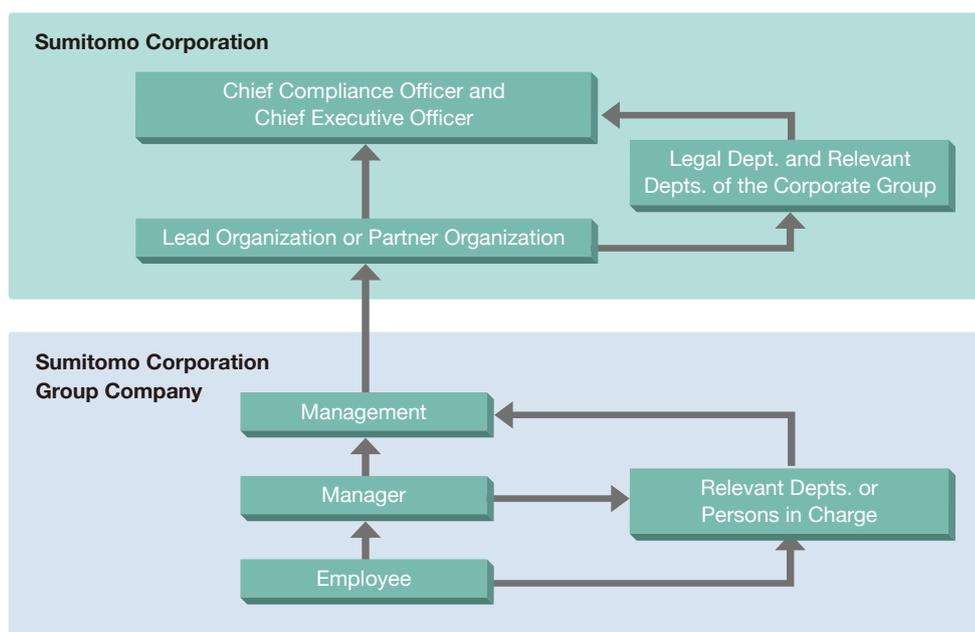
All Employees of the Sumitomo Corporation Group are required to make "Immediate Reports". If you ever become aware of an actual or suspected compliance issue, you must report it immediately through your reporting line, which should usually be to your superior and to any relevant department or persons in charge within your company, as shown in the flowchart below.

You do not need to wait to learn about the details of the issue to make a report. By making an Immediate Report,

we will be better able to promptly respond and prevent the issue from becoming more serious or wide-spread. This will also enable us to better protect the Group and its Employees.

When you receive an Immediate Report as a manager, you must also immediately report to and consult with your superior and any relevant departments and ask for advice or instructions to properly resolve the compliance issue.

The Flow of "Immediate Report" from a Sumitomo Corporation Group Company



If, for any reason, it is difficult to report the compliance issue along your usual reporting line, then you are encouraged to use your company's whistleblowing system (if there is one) or the SC Global Speak-Up System to report the issue. Please see the final section of this Group Compliance Policy for more details on the SC Global Speak-Up System.

* "Lead Organization" is the organization (usually a business unit) within Sumitomo Corporation or its regional offices that have a lead role in supporting the particular Group Company. "Partner Organization" is the organization within Sumitomo Corporation or its regional offices that have a supporting role with the same purpose.

* A Relevant Dept. may, for example, be your HR dept. if the compliance issue involves HR matters.

The Group Compliance Principles

The Group Compliance Principles are composed of 11 key principles related to compliance which must be followed by all Employees throughout the Group.

Below, you can find the 11 Group Compliance Principles together with supplementary explanations of the Principles.

Please closely read the 11 Group Compliance Principles and the supplementary explanations to fully understand this Policy.



Fair Competition

Principle:

We must promote fair competition through our business activities while always complying with the laws and regulations relating to anti-trust and fair competition.

Explanation of the Principle:

●Anti-monopoly, Antitrust and Prohibition of Anti-competitive Agreements

We must never create or take part in any improper monopolies. We must also never enter into bid-rigging agreements or other anti-competitive or collusive agreements with our competitors or abuse a dominant position in the market. We may not engage in discussions with our competitors for the purpose of fixing prices or sales volume, or allocating customers or sales territories and we must avoid taking part in communications which may create the appearance of such improper discussions. If a competitor suggests that we enter into such anti-competitive arrangement, we must clearly and formally reject such request. Such arrangements are never allowed with respect to public or private tenders as well as day-to-day transactions.

●Complying with All Applicable Laws and Regulations

We must be aware that a collusive arrangement with a competitor from a foreign country may lead to an “international cartel” issue. For example, if a collusive arrangement has an effect on the U.S. or EU markets, then even if such arrangement is made in relation to a business outside the U.S. or EU, there is a possibility that the U.S. Antitrust Laws or EU Competition Laws may apply.



International Trade Regulations including Security Trade Control

Principle:

We must comply with all applicable laws and regulations as well as international treaties with respect to import and export control, security trade control and customs.

Explanation of the Principle:

We must always follow internal rules with respect to imports and exports of goods and technology so that we comply with relevant laws and regulations as well as international treaties with respect to import and export control, security trade control and customs. We must always understand the goods or technology being traded and confirm the identity of the purchaser, destination, end-user and end-use before making such trade. We must also ensure that we have obtained all necessary licenses and approvals from the relevant authorities. We must never engage in any business which may be or which may have the appearance of being a threat to international peace or security.



Laws Relating to Your Business

Principle:

We must always study, fully understand and comply with the laws and regulations relating to our business.

Explanation of the Principle:

As part of understanding our own business, we must study and understand all laws and regulations applicable to our business, as well as be attentive to changes in the laws or the creation of new, relevant laws, in order to make sure we are always compliant. Employees must understand that there are various laws and regulations concerning each area of business. For example, there are laws related to environmental protection, chemicals and dangerous goods, and logistics. Whenever necessary, Employees should consult with the relevant departments or persons in charge to learn about these laws and regulations. Furthermore, we must never attempt to take advantage of any ambiguities or loopholes in the laws or regulations.



Accuracy of Company Books and Records; Tax Compliance

Principle:

We must maintain true and accurate books and records in a timely manner and properly retain all related documents. We must pay taxes and fulfill our tax reporting obligations in compliance with the applicable laws and regulations and the Sumitomo Corporation Group Tax Principles.

Explanation of the Principle:

We must maintain true and accurate books, records and related information in a timely manner to properly reflect the company's financial position and to protect the company's assets. We must disclose necessary information in a proper and timely manner in accordance with the laws and regulations in order to ensure the company's transparency. The recorded documents and disclosed information must not include false or misleading statements. Also, we must retain these documents and information in a proper manner and for the required length of time in accordance with applicable laws and regulations.

Please see below for the Sumitomo Corporation Group Tax Principles:

[<Sumitomo Corporation Group Tax Principles>](#)



Anti-Bribery and Anti-Corruption

Principle:

We must always stay committed to undertaking strict measures to prevent bribery, improper provision of benefits and other forms of corruption. We must never commit bribery or conduct any activity which may raise the suspicion of bribing a government or other public official of any country, municipality or region. We must not offer, provide, or promise to provide cash or cash equivalents, gifts, entertainment or anything of value to public officials for the purpose of improperly obtaining or retaining business. In the event that you receive a request from a public official for such an act, you must reject the request and the company will contact the relevant authorities as the situation demands. We must comply with domestic and foreign laws and regulations concerning anti-bribery and anti-corruption applicable to our business activities.

Explanation of the Principle:

For the Sumitomo Corporation Group Anti-Corruption Principles and further information on the internal control systems and initiatives of Sumitomo Corporation and those of its domestic and overseas subsidiaries for anti-bribery and anti-corruption, please see the Sumitomo Corporation Group Anti-Corruption Policy.

[<Sumitomo Corporation Group Anti-Corruption Policy>](#)

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Intellectual Property Rights

Principle:

We must protect the intellectual property (“IP”) rights of the Sumitomo Corporation Group and we must also respect the IP rights of others.

Explanation of the Principle:

●Protecting the IP Rights of the Sumitomo Corporation Group

Copyrights, trademarks, patents and other forms of IP rights are valuable assets of the Sumitomo Corporation Group. If you become aware of a situation in which our IP rights are being infringed or there is a likelihood of such infringement, please report to and consult with your manager as well as the relevant departments or persons in charge.

●Respecting the IP Rights of Others

We must also pay careful attention to avoid any infringements of IP rights of others. For example, if you plan to produce or sell a new product which was developed with new technologies, or if you plan to sell or promote a product or service with a new logo or mark, you must first conduct appropriate searches to ensure that others’ IP rights are not infringed.

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Information Management

Principle:

We must properly manage the confidential information of the Sumitomo Corporation Group as well as the confidential information received from our business partners to prevent any unauthorized disclosure or use of such confidential information.

Explanation of the Principle:

●Managing the Confidential Information of the Sumitomo Corporation Group

Trade secrets, know-how, personal data and other confidential information of the Sumitomo Corporation Group are valuable assets of the Group. We must properly manage such confidential information to prevent leakage, loss, or unauthorized use.

●Managing the Confidential Information of Our Business Partners; Prohibition of Improper Acquisition of Information

We must also properly manage any confidential information received from our customers, suppliers and other business partners in accordance with applicable laws and regulations, our commitments to our business partners, as well as internal rules. Also, we must not acquire confidential information of our competitors or others through improper means.

●Properly Responding to Incidents

In the event of any incidents in which any confidential information is misappropriated, lost, or improperly used, we must respond immediately and take all necessary measures to mitigate the impact of such incident on the owner of such confidential information.



Environmental Protection

Principle:

We must comply with the Sumitomo Corporation Group Environmental Policy and place great importance on protecting the global environment, while striving to achieve sustainable development through sound business activities.

Explanation of the Principle:

We must comply with the Sumitomo Corporation Group Environmental Policy, all applicable environmental laws and regulations, and also abide by any agreements concerning environmental protection. Please see below for the Sumitomo Corporation Group Environmental Policy:

[< Sumitomo Corporation Group Environmental Policy >](#)



Insider Trading

Principle:

We must not engage in any conduct which violates, or which may have the appearance of violating, the laws and regulations on insider trading.

Explanation of the Principle:

Employees must not use material non-public information (“Insider Information”) of a company (whether or not such company belongs to the Sumitomo Corporation Group) to purchase, sell, or cause others to purchase or sell, publicly traded securities (such as stocks). Insider Information generally means information which a reasonable investor would consider important in making a decision to buy, sell or hold a security, or which have a significant effect on the market price of the security. For example, Insider Information includes information about plans of large-scale mergers or acquisitions or significant modifications of corporate earnings forecasts. In the event you become aware of any Insider Information, you must follow your Company’s internal rules and keep it confidential.

Also, you must comply with the applicable laws and regulations concerning insider trading of your own country or region, as the rules may be different in each country or region.

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Respect for Human Rights and Prevention of Discrimination and Harassment

Principle:

We must respect the human rights of others and not tolerate any discrimination or harassment.

Explanation of the Principle:

●Respect for Human Rights

The Sumitomo Corporation Group has pledged “to place prime importance on integrity and sound management with utmost respect for the individual” in its Management Principles. This means that the Sumitomo Corporation Group respects the human rights of all individuals, including the rights of those with whom the Sumitomo Corporation Group has a relationship or contact.

●Prevention of Discrimination and Harassment

We must not discriminate against any individual based on race, ethnicity, nationality, origin, color of skin, age, sex, sexual orientation, gender identity, disability, religion, political affiliation, union membership, marital status, or any other grounds unrelated to our work. We must never tolerate discriminatory speech or actions, harassment, bullying, slander, libel, threats, violence or other unacceptable behavior that instills fear in others, or would otherwise make them uncomfortable.

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Conflicts of Interest

Principle:

We must always act in the best interest of the Sumitomo Corporation Group. We must never use company assets or our positions at our company to pursue our own or a third party's interests at the expense of the Group's interests.

Explanation of the Principle:

●Conflict of Interest

Each Employee has a duty of loyalty to the Group and must act at all times in the Group's best interests. You must not use your position or role at your company for your own personal benefits.

●Activities Unrelated to Your Work

You must refrain from engaging in personal affairs or activities which may interfere with your work responsibilities. If you are or plan to be involved in a commercial activity which conflicts with the Sumitomo Corporation Group's interests, you must promptly report this to your manager.

●Proper Use of Company's Assets and IT Systems

You may only use your company's assets including its IT devices or IT systems for the purpose of performing your work and you must not use such assets for personal purposes.

“SC Global Speak-Up” System

What is the “SC Global Speak-Up” System?

“SC Global Speak-Up” is the name of the internal whistleblowing system of the Sumitomo Corporation Group. If you become aware of a compliance issue and believe (for any reason) it is difficult for you to report the issue along your usual reporting line, you may report the issue using your company’s internal whistleblowing system (if there

is one) or by using SC Global Speak-Up. Any reports made through SC Global Speak-Up will be communicated to the Chief Compliance Officer (“CCO”) of Sumitomo Corporation. When a report is received, an investigation will be immediately initiated. Sumitomo Corporation promises that the following points will be most strictly observed:

Confidentiality

If an Employee reports a compliance issue through SC Global Speak-Up, the identity of the Employee as well as the details of the report (including any facts or details discovered through the investigation) will be held in the strictest confidence.

No Retaliation

Sumitomo Corporation is committed to prevent any reprisals or retaliations against the Employee for making the report.

Further details on SC Global Speak-Up are explained in “The SC Global Speak-Up Guidelines”.

Who can use SC Global Speak-Up?

All Employees (which include directors, officers, employees, contract employees, part-time employees, employees temporarily assigned to companies outside of the Group and temporary employees) of any Sumitomo Corporation Group company can report a compliance issue through SC Global Speak-Up.

What types of compliance issues can be reported through SC Global Speak-Up?

Employees are encouraged to use SC Global Speak-Up to report significant compliance issues which could have a large negative impact on the Sumitomo Corporation Group. For further details of the types of compliance issues that can be reported through SC Global Speak-Up, please see “The SC Global Speak-Up Guidelines.”

How does SC Global Speak-Up interact with any existing internal whistleblowing systems or compliance hotlines?

Sumitomo Corporation established SC Global Speak-Up as a whistleblowing system that any company within the Sumitomo Corporation Group may use. If a Sumitomo Corporation Group company already has a similar whistleblowing system or compliance hotline in place, SC Global Speak-Up is an additional system for such company, as Sumitomo Corporation does not intend to replace or abolish any existing systems. An Employee at a Sumitomo Corporation Group company may use his/her company’s whistleblowing system or SC Global Speak-Up to report a compliance issue.

By introducing an additional way to report, that is SC Global Speak-Up, we will be better able to identify compliance issues, mitigate the negative effects and resolve the issues at an early stage.

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