

COMPANY POLICY

Principal Adverse Impacts (PAI)

SFDR Disclosure for Article 7.1(a)

Our analysts conduct proprietary evaluation analysis on sustainability risk through interviews and engagements. We currently assess over seven hundred corporations.

We also have access to ESG evaluations provided by third party providers. This enables us to cover more than 11,000 corporations/issuers world-wide. We combine this data with our own sustainability evaluation.

We assess investment products into primary categories as set out below.

The sustainability factors:

- environmental
- social and employee matters
- respect for human rights
- anti-corruption and anti-bribery matters

are a material element to evaluate sustainability when we make investment decisions. In particular, we incorporate analysis and evaluation of ESG factors into the security selection process, to the extent suitable for each investment product.

We continuously monitor sustainability factors, including greenhouse gas emissions, at a portfolio level. We use a series of metrics which are evaluated and reflected in the investment process.

We are continuously enhancing our sustainability risk assessments for security screening, engagement activity and in portfolio construction. With these efforts, we continue to increase the number of investee company analyses and the development of products for which sustainability and ESG factors are deeply integrated. We have systems in place to monitor and improve effectiveness of sustainability and ESG integration.

Future Developments for Principle Adverse Impacts

We currently await the EU SFDR Directive's finalised Regulatory Technical Standards (RTS) expected later in 2021. This in turn should provide greater clarity of visibility of i.e. monitoring and reporting on sustainability aspects/indicators.

Thereafter we will review our products and the pre-contractual disclosure documents with a view to our offerings being within scope of the SFDR Article 8 and/or 9 in the near future.

Resources

You can find more SFDR information about the Sumitomo Mitsui DS Asset Management policies and strategies:

- SMDAM policies on SFDR – see website
 - <https://www.smd-am.co.uk/sustainability>
 - **SMDAM Tokyo website:** https://www.smd-am.co.jp/english/corporate/responsible_investment/esg/
- SICAV Prospectus – see for individual UCITS Funds at <https://www.smd-am.co.uk/wp-content/uploads/2021/03/Prospectus-Daiwa-SBI-Lux-Funds-SICAV-20210201-visaed.pdf>
- Corporate Responsibility ‘Sustainability Report 2020’ at: https://www.smd-am.co.jp/english/corporate/vision/fiduciary/pdf/sustainability_report_2020_en.pdf
- ‘Environment, Social And Governance Report’ at: https://www.smd-am.co.uk/wp-content/uploads/2021/03/SMDAM-ESG-Report-2H-2020_02032021.pdf

Disclaimers

Issued by Sumitomo Mitsui DS Asset Management (UK) Limited. Registered in England and Wales.

Registered office 5 King William Street, London, EC4N 7JA; registered number 1660184. Authorised and regulated by the Financial Conduct Authority.

Past performance is not a reliable indicator of future performance and may not be repeated. An investment’s value and the income deriving from it may fall, as well as rise, due to market fluctuations. Investors may not get back the amount originally invested.

The data contained in this document is for information purposes only. It is correct to the best of our knowledge at the date of issue and may be subject to change. The client legal agreement will take precedence over this document. This document is not legally binding and no party shall have any right of action against Sumitomo Mitsui DS Asset Management (UK) Limited, in relation to the accuracy or completeness of the information contained in it or any other written or oral information made available in connection with it. Nothing in this document or any related presentation shall be deemed to constitute investment advice, nor shall we be deemed to be an investment advisor unless formally appointed as such, or as discretionary investment manager, by way of written agreement.

The information contained in this presentation is to be used by the professional client that this document is issued to only.

Risk warning: On 1 January 2021 the UK left the EU transitional arrangements and no longer benefits from passporting rights into EEA countries.

This document may not be copied, redistributed or reproduced in whole or in part without prior written approval from Sumitomo Mitsui DS Asset Management (UK) Limited.

Contact Details

Business Development and Client Relations

Phone: +44 (0)20 7507 6400

Email: uksales@smd-am.co.jp

Sumitomo Mitsui DS Asset Management (UK) Limited
5 King William Street, London, EC4N 7DA
United Kingdom
www.smd-am.co.uk

