

COMPANY POLICY

Sustainability Risk

SFDR Disclosure for Article 3.1

Impact of financial products on sustainable factors

Sumitomo Mitsui DS Asset Management (SMDAM) believes that non-financial information including environmental, social, and governance (ESG) information is equally important as financial information for us to evaluate sustainability of businesses and impact on long-term profitability of a corporation and REIT (corporations) given the increasing interest on environmental changes and Social Development Goals. In that context, we proactively take the following actions.

We incorporate analysis and evaluation of non-financial information including ESG information into the investment process of every product across a variety of asset classes, taking account of the characteristics of products. With our commitment to do this, we aim to be a front runner in the field of ESG investment.

SMDAM has established a specialized “Responsible Investment Section” focused on engagement and sustainability analysis to properly strengthen such systems by increasing personnel and other measures.

Further to this, SMDAM holds the “ESG Meeting” and the “Stewardship Meeting” every month. These consist of chief personnel from the Responsible Investment Section, the Corporate Research Department, and various investment management departments meeting to share good practices, exchange opinions on analysis and evaluations of investee companies, and create policies to direct the exercise of voting rights, thereby working to build the organization’s capacity for conducting dialogue.

ESG investment activities are monitored by ESG Meeting, Responsible Investment Committee and FD and Sustainability Meeting. The ESG Meeting is working-level talks and its role is to monitor if ESG activities are properly implemented and continuously reinforced. The Responsible Investment Committee is organized under the board of directors and it consists of independent directors. The role of the committee is to monitor fulfilment of fiduciary duties including responsible investments, as well as controls over conflicts of interest. The committee makes a proposal to the board whenever needed.

The FD and Sustainability Meeting is an advisory body to the CEO consisting of external experts. The FD and Sustainability Meeting makes a recommendation to the CEO across company-wide activities relating to fiduciary duties.

Organization chart in charge of ESG investment



Source: SMDAM, as at 1 March 2021

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

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