

## Notice of establishment of “Principles of Fiduciary Duties and Sustainability”

Please be notified that Sumitomo Mitsui DS Asset Management Company, Limited (President and CEO Takashi Saruta) has established "Principles of Fiduciary Duties and Sustainability" as a basic policy for the company to fulfill its responsibilities as an asset manager and as a corporate citizen by adding sustainability elements and incorporating ESG factors to its “Our Commitment to Fiduciary Duties.”

### **Summary of the Principles**


Principles of Fiduciary Duties and Sustainability (see Attachment 1) consist of Principles 1 and 2, which are the responsibilities of an asset management firm, and Principles 3 and 4, which are the responsibilities of a corporate citizen. These four principles are aligned with four missions of the Company's corporate philosophy (see Attachment 2). That is, by practicing the Principles, we will contribute to the realization of a sustainable society in the future and aim to realize our corporate vision "The Best Asset Management Firm for Your Better Quality of Life."

#### Summary of Principles of Fiduciary Duties and Sustainability

- Principle 1 We will fulfill our management responsibilities as a responsible institutional investor.
- Principle 2 We will strive to materialize a sustainable society through our asset management business.
- Principle 3 We, as a corporate citizen, will engage in activities to pass on an affluent society and the global environment to the next generation.
- Principle 4 We will train and educate human resources to contribute to the QOL of our clients, the society and our employees.

### **Background**

We announced our “Our Commitment to Fiduciary Duties” in 2015, before the Financial Services Agency of Japan finalized the Principles for Customer-Oriented Business Conduct in 2017. Since then, we have made all efforts to fulfill our investment manager’s responsibilities with various measures



such as revision of our distribution policy, introduction of client materials using universal design and launch of products suitable for long-term asset-building investors. With these initiatives, we believe we set an example to how to discharge fiduciary responsibilities.

This renewed Principles clearly states the roles and responsibilities that we, as an asset management firm and as a corporate citizen, should play in the field of sustainability in light of the growing expectations for asset management firms in recent years to realize a sustainable society.

As pledged in our previous commitment, we will work even harder to fulfill our investment management responsibilities as an asset manager and to contribute to society through the capital markets as a part of the investment chain. At the same time, as a corporate citizen, we will strive to create an affluent society through CSR activities and measures to promote diversity while we work to preserve the global environment through environmentally friendly business operations, and contribute to the realization of a sustainable society into the future.

## **Contact**

Katsuki Maruyama  
Communication Section  
Tel +813-6205-1908

Registered Number: Kanto Local Finance Bureau (KINSHO) No.399  
Member of Japan Investment Advisers Association, The Investment Trusts Association, Japan and Type II Financial Instruments Firms Association  
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## Principles of Fiduciary Duties and Sustainability

To materialize our vision of becoming “the best asset management firm for your better Quality of Life (QOLs)”, we, Sumitomo Mitsui DS Asset Management, are committed to fulfilling our fiduciary duties. As a responsible institutional investor, we are also committed to fulfil management responsibilities based upon high ethical standard and professionalism. We acknowledge that our current investment activities lead to the future development of a sustainable society. Therefore, we will not only fulfill our fiduciary duties but also engage in stewardship activities and ESG investment. Simultaneously, as a corporate citizen, the way we operate our business will be environmentally and diversity conscious. In addition to this and in order to contribute to the realization of a sustainable society, we will take an active role for the sound development of local communities. Through these initiatives, we wish to grow with our clients and society in the medium to long term.

### **Principle 1.**

#### **We will fulfill our management responsibilities as a responsible institutional investor.**

- We will exert ourselves to cultivate investment professionals who will play a central role in asset management business, and work to enhance capabilities of investment management, trading operation and risk management through utilizing state of the art IT technologies and domestic and overseas networks.
- We will incorporate ESG factors into the investment process, and take a progressive approach to stewardship activities including engagement and exercising voting rights in order to encourage companies to enhance their sustainability and eventually contribute to augmentation of the company’s enterprise value over the medium to long term.
- We will develop and provide the most suitable products and services such as long-term investment products to accumulate assets by identifying the true needs of clients. We will also provide timely information on the investment products using IT technology.
- We will not only establish a rigid corporate governance structure that ensures the appropriate management of conflicts of interest and independence of management, but also endeavor to disclose risks and commissions with a high level of transparency.
- We will strive to maintain our soundness as a company and reinforce our crisis management system to be prepared for various contingencies.

## **Principle 2.**

**We will strive to materialize a sustainable society through our asset management business.**

- We recognize the significance and essentials of asset accumulation for individual investors in an aging society with fewer children. Therefore, we will engage in investor education for a wide range of generations to raise the awareness for related issues and to improve financial literacy.
- We will work to resolve environmental issues, such as climate change, and social issues, such as human rights through our original stewardship activities and by participating in initiatives in Japan and overseas.
- We will strengthen our efforts to develop and provide products that focus on the sustainability of society.

## **Principle 3.**

**We, as a corporate citizen, will engage in activities to pass on an affluent society and the global environment to the next generation.**

- We will participate in CSR activities such as revitalizing communities and providing social welfare support.
- We will carry out environmentally conscious business management, such as reducing greenhouse gas emissions and plastic waste.

## **Principle 4.**

**We will train and educate human resources to contribute to the QOL of our clients, the society and our employees.**

- We will put in place an environment where employees with variety of values can fully demonstrate their abilities and promote diversity, including the active participation of women.
- We will provide a variety of career support programs so that all employees regardless of ages or assignments can take pride in their work and obtain professional expertise and insight required.

# Corporate Philosophy

## Our Mission & Vision

### Towards The Best Asset Management Firm For Your Better Quality of Life.

#### We, as professionals, focus on:

- Delivering the best-in-class investment performance, while maintaining the highest standards of fiduciary responsibility to our clients,
- Contributing to a diversified and sustainable society through our investment activities.

#### To these ends, we commit ourselves to:

- Aiming for collective growth, based on a respectful understanding of all stakeholders,
- Creating a flexible working environment that allows all employees to reach their full potential.

## Our Values

### Sincerity

#### ***Customers' interest first***

We act in fair and responsive manner by placing customers' interest as our values to become their most trusted partner.

### Agility

#### ***Time - strategic resources***

We address issues in a time-conscious manner to deliver new products and services to our customers earlier than peers.

### Challenge

#### ***Confront the status quo***

We challenge norms by exploring extraordinary products, services and processes in pursuit of the highest standard of investment management services.

### Passion

#### ***Strive for an extra basis point***

We dedicate ourselves to improve investment performance and business efficiency across all business areas.

### Teamwork

#### ***Tackle conflict head-on in pursuit of value***

We embrace diversity of views and ideas, and make collective efforts to achieve what cannot be done by one person alone.