

## **Requesting suppliers' understanding and cooperation with Asset Management One's approach to procurement**

Asset Management One Co., Ltd.

Your cooperation in providing goods and services such as IT systems, office supplies, and outsourcing supports our business operations.

At Asset Management One, we are promoting responsible and optimal procurement, improving corporate value, and aiming to achieve a sustainable society, in line with our basic approach to procurement operations, available below.

### **Basic approach to procurement operations**

#### **Fair and impartial decisions on suppliers**

- We will make fair and impartial decisions on suppliers, taking into account factors such as quality, ease of use of services, price, reliability, compliance with laws and regulations, information management frameworks, respect for human rights, and environmentally friendly initiatives.

#### **Compliance with laws and regulations and social norms**

- We will fully comply with all laws, rules, and regulations; always adhere to social norms; and exercise strong self-discipline in our procurement operations.
- With our suppliers, we will maintain healthy and transparent relationships. To ensure this, we will not accept gifts or entertainment from suppliers when these are against social norms.

#### **Respect for human rights and consideration for the environment**

- In our procurement operations, we will endeavor to respect human rights and reduce our environmental footprint.
- We will also encourage our suppliers to respect human rights and give consideration to the environment in their business operations.

Throughout our procurement operations, we ask that our suppliers understand Asset Management One's Human Rights Policy and Environmental Policy, as well as understand and cooperate with Asset Management One's supplier guiding principles, as defined below. This enables both Asset Management One and our suppliers to positively contribute to development of a sustainable society and achieve mutual growth as business partners.

## **Requirements for suppliers (supplier guiding principles)**

### Compliance with laws and regulations and social norms

- Fully comply with all laws, rules, and regulations, adhere to social norms, and conduct corporate activities fairly and in good faith.

### Information management

- Manage information gathered through business operations with due care, in compliance with laws on the protection of personal information and any related laws.

### Respect for human rights

- Be aware of the ways in which business operations have the potential to impact human rights and, referring to international standards<sup>1</sup>, endeavor to respect human rights while carrying out corporate activities.
  - Respect the basic human rights of employees
  - Provide employees with a safe and comfortable work environment
  - Do not discriminate and do not use child labor or forced labor
  - Respect the right to free association and non-association and the right to collective bargaining, in conformance with laws and regulations
  - Promote diversity and inclusion in order to ensure the participation and development of diverse talent
  - Work proactively to eliminate discrimination and harassment
- Understand Asset Management One's Human Rights Policy, including its commitment to practices that aim to eliminate forced labor, child labor, and human trafficking from the business and value chain. Based on this understanding,

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<sup>1</sup> International Bill of Human Rights; International Labour Organization's Declaration on Fundamental Principles and Rights at Work; UN Guiding Principles on Business and Human Rights; etc.

suppliers must carry out due consideration and responses to ensure that they and their own suppliers are not complicit in (involved with) forced labor, child labor, or human trafficking.

#### Consideration for the environment

- Work to reduce the environmental impact of business operations through use of sustainable energy and resources, pollution prevention, green procurement, and other measures.
  - Limit use of resources and energy
  - Endeavor to use low-carbon or zero-carbon energy sources and reduce greenhouse gas emissions
  - Use resources effectively by reducing waste and practicing reuse and recycling
  - Limit use and emission of substances harmful to the environment and/or human beings
  - Conserve natural resources, such as forests, and use them efficiently
  - Do not use raw or other materials which harm biodiversity or ecosystems

## **Human Rights Policy**

### **1. Introduction**

#### **Positioning of the Human Rights Policy**

Asset Management One is aiming to become our clients' most trusted partner in the asset management industry.

As a partner in building clients' asset, Asset Management One contributes to a sustainable economy and society and to the well-being of our clients through asset management, and we are required to pursue corporate activities in a manner that is in harmony with societal expectations in order to fulfill our fiduciary duty to our clients.

Asset Management One realizes our potential to impact human rights throughout our own operations and business relationships.

Asset Management One commits to respecting internationally recognized human rights in our "Asset Management One Code of Conduct".

This Human Rights Policy sets out in further detail the content of this commitment to meet our responsibility to respect human rights, pursuant to the UN Guiding Principles on Business and Human Rights, throughout our global operations and our value chain.

#### **Scope of Application of the Human Rights Policy**

This Human Rights Policy applies to all officers and employees of the Asset Management One's group companies.

Asset Management One expects our business partners, including our clients and suppliers, to share our conviction to uphold the corporate responsibility to respect human rights.

## **2. International Standards**

In addition to ensuring compliance with applicable laws wherever we operate, Asset Management One's approach to human rights is based upon the International Bill of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work ("ILO Declaration") and the UN Guiding Principles on Business and Human Rights.

In the event of discrepancies between internationally recognized human rights standards and domestic laws in a given territory, Asset Management One will follow the higher standard. Where domestic laws in a given territory conflict with international standards, we will seek appropriate ways to respect the principles of internationally recognized human rights.

Asset Management One respects the social responsibility guidance standard ISO 26000.

## **3. Corporate Governance**

Asset Management One regularly reports its initiatives for respecting human rights to the Board of Directors following discussion at the executive level, including at the Executive Management Committee.

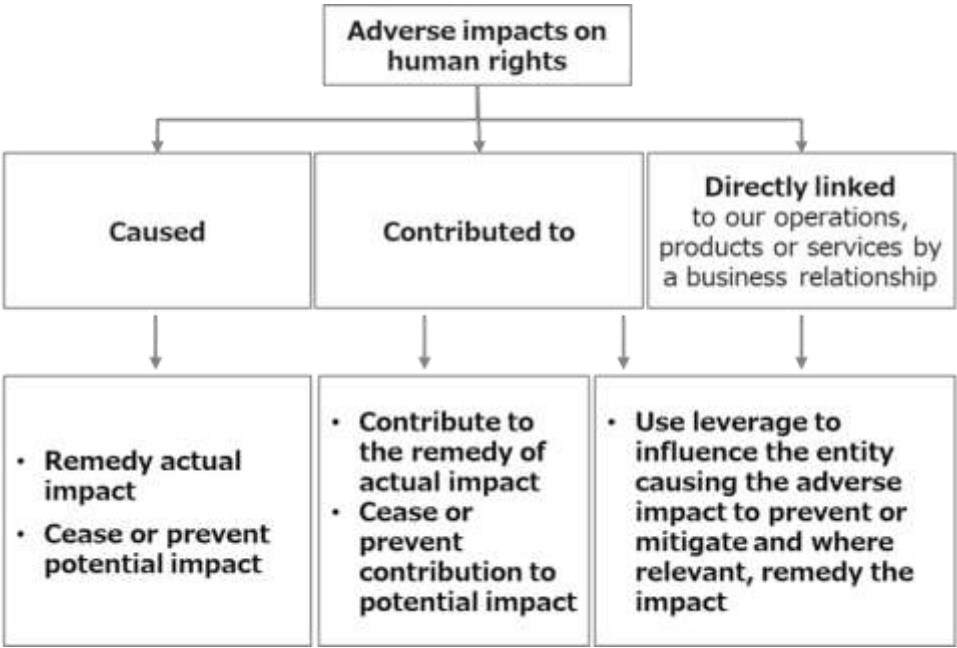
The establishment and revision of the Human Rights Policy are approved by the Board of Directors after deliberation at the Executive Management Committee.

## **4. Human Rights Due Diligence**

Referring to the OECD Due Diligence Guidance for Responsible Business Conduct, we will continue to further integrate human rights into our existing corporate processes in order to prevent or mitigate any adverse impacts that our business activities may have on human rights. We will also strive to conduct human rights due diligence through the following: 1) Identify and assess adverse impacts on human rights; 2) Cease, prevent, or mitigate

adverse impacts on human rights; 3) Track implementation and results of 1 and 2; and 4) Communicate with stakeholders on how impacts are addressed.

Through human rights due diligence, we strive to prevent or mitigate adverse human rights impacts in our operations. However, even with the best policies and practices, Asset Management One may cause or contribute to an adverse human rights impact that it had not foreseen or was not able to prevent. In such cases, we will seek ways to address the adverse impact, referring to the following framework.



In line with the UN Guiding Principles on Business and Human Rights, we seek to cooperate in the remediation of adverse impacts through legitimate processes, and where reasonable and appropriate, encourage our clients to prevent or mitigate any adverse impacts on human rights.

**Our Approach to Forced Labor, Child Labor, and Human Trafficking**

Asset Management One will strive to strengthen its human rights due diligence with the aim to eliminate forced labor, child labor, and human trafficking from its business and value chain.

## 5. Our Employees

Asset Management One is committed to treating all employees with dignity and to ensuring respect for their human rights.

We assign the highest priority to fulfilling our responsibility to provide a healthy and safe working environment for our employees.

We are guided by principles such as those in the ILO Declaration, including as regards nondiscrimination, the prohibition of child labor and forced labor, and freedom of association and right to collective bargaining.

We offer equal employment opportunities to all, promote diversity and inclusion, and provide employees with opportunities for learning and development.

We do not tolerate discrimination or harassment of any kind, including on the grounds of gender, nationality, birthplace, race, age, ethnic origin, religion, political views, membership in labor unions, disability, sexual orientation, gender identity, socioeconomic status, pregnancy, marital status, or health conditions.

We believe that the physical and mental health of all Asset Management One employees is indispensable, and we endeavor to maintain and improve employee health. We also strive to help employees achieve a more fulfilling life through their work.

We value an open dialogue with our employees and have established robust employee consultation systems to create a supportive work environment.

We are making every effort to provide a framework that maintains impartiality while protecting the rights of employees when addressing concerns or responding to complaints.

Asset Management One has established a Committee for the Promotion of Human Rights Education, and will work diligently to enhance human rights awareness for and build the capacity of each employee with respect to their own rights and those of others.

## **6. Our Clients**

Asset Management One recognizes that as a financial services provider, we can contribute to or be linked with adverse human rights impacts by way of our business relationships in all sectors. Asset Management One strives to perform adequate due diligence to prevent or mitigate adverse human rights impacts associated with our business operations, using our leverage where appropriate.

### **Information Management**

Asset Management One is aware of the importance of managing information in a way that ensures appropriate protection and use of information assets.

We continually work to strengthen our information management practices in order to identify appropriate ways to protect and respect our clients' privacy. This includes our aim to ensure that our security management measures and information administration methods for information assets are clear and straightforward. We also implement training and awareness-building exercises to ensure that members of our organization have a firm understanding regarding the proper protection of information assets.

### **Financial Crime Risk Management**

Asset Management One recognizes that the use of its products and services for money laundering and the financing of terrorism may result in human rights violations. We continue to look for ways to strengthen our efforts toward preventing Asset Management One, its employees, and its clients from contributing to or becoming involved in money laundering. Asset Management One will endeavor to positively contribute to the healthy stability and growth of the financial system.

### **Responsible Investment**

As a responsible institutional investor, Asset Management One has accepted and implemented the Principles for Responsible Institutional Investors « Japan's Stewardship Code » to properly fulfill our stewardship responsibilities. We have also signed the UN Principles for Responsible Investment (PRI), and



is promoting initiatives in line with these principles, including dialogue with investee companies regarding ESG issues and monitoring of outsourced asset management companies.

## **7. Our Suppliers**

Asset Management One's operations are supported by a network of suppliers providing goods and services, such as office supplies, computer systems, and outsourced labor.

We have established a Procurement Policy to enhance our responsible procurement practices by clarifying our basic procurement approach and our requirements for suppliers to consider matters relating to the environment, respect for human rights, compliance, and information management.

We will make efforts to communicate this Human Rights Policy to our primary suppliers in a phased manner and request that our suppliers uphold a standard of respect for human rights commensurate with this policy. In certain cases, we will undertake an annual process to assess our suppliers' adherence to the responsibility to respect human rights. Where necessary, we will take action appropriate to the circumstances.

## **8. Communication**

Asset Management One will continuously work on establishing appropriate mechanisms to ensure rights holders have access to remedy when needed.

Asset Management One emphasizes engagement with our stakeholders and strives for transparency and responsiveness. We have benefited from the views of stakeholders in the drafting of this Human Rights Policy and devising of our implementation strategy.

We are committed to remaining engaged with stakeholders and to reviewing and amending this Human Rights Policy as and when appropriate.

## **Environmental Policy**

### **1. Purpose**

Our commitment to environmentally conscious action is included in the Asset Management One Code of Conduct. This Environmental Policy stipulates the objectives that form the basis of our conduct and the specific actions we will take to achieve them. This policy has been established through a resolution of the Board of Directors and applies to all group companies of Asset Management One Co., Ltd.

### **2. Our approach to addressing environmental issues**

Environmental issues are becoming more diverse and complex, and are recognized as one of the most pressing global concerns.

Our economy, industries and society are supported by the varied benefits received from natural capital<sup>1</sup> and ecosystems. We believe that addressing environmental issues which impact such resources is humanity's shared responsibility towards a sustainable society.

At Asset Management One, we recognize that our business activities may have both a direct and indirect impact upon the environment. We also believe that environmental initiatives such as mitigating and adapting to the impact of climate change, preserving biodiversity, and promoting circular economy are essential preconditions for the existence and activities of our company.

While maintaining a global and long-term perspective of risks and opportunities, we are aiming to enhance our corporate value and contribute to the creation of a sustainable society. We intend to achieve this by proactively implementing environmental initiatives which draw on our capabilities and

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<sup>1</sup> Natural capital: The world's stock of renewable and non-renewable natural resources (e.g. plants, animals, air, water, land, and metals) which afford humanity all manner of benefits

knowledge as an asset management company.

### **3. Initiatives facilitated by our business activities**

Asset Management One engages in dialogue with companies we invest in regarding ESG-related concerns, exercise of voting rights, and take other such actions to appropriately fulfill our stewardship responsibilities<sup>2</sup> as a responsible institutional investor. We proactively develop and offer financial products and services which support the environmental initiatives of corporations and other clients. In doing so, we aim to maximize positive impacts and avoid or mitigate negative impacts on the environment.

### **4. Efforts to reduce our environmental impact**

We are working to reduce the environmental impact of our own business activities, including through the use of sustainable energy and resources, pollution prevention and practicing sustainable procurement.

### **5. Governance and management framework**

Our efforts go beyond merely complying with environmental laws and regulations. We support local and international initiatives which aim to contribute to the creation of a sustainable society. In addition, we promote efforts which are aligned to relevant frameworks in each country and region.

We incorporate environmental risks and opportunities into our strategy and work to manage them appropriately.

Asset Management One has put in place a framework for ensuring steady implementation of initiatives towards realizing a sustainable society. This

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<sup>2</sup> Stewardship responsibilities: The responsibilities of institutional investors to enhance the medium- to long-term investment return for their clients and ultimate beneficiaries by improving and fostering the enterprise value and sustainable growth of investment recipients through constructive engagement, or purposeful dialogue, based on indepth knowledge of the companies and their respective business environments.

includes regular reports to the Board of Directors regarding progress on environmental initiatives and other information. We have also set indicators and goals related to our environmental initiatives and seek continuous improvement through regular progress evaluation and revision.

Our group companies implement environmental initiatives under a governance and management framework aligned with their respective business structure and scale.

In order to ensure compliance with and full implementation of this Environmental Policy, we will train all executive officers and employees.

To ensure transparency, we will proactively disclose updates as appropriate on our environmental initiatives.

## **6. Stakeholder engagement**

Asset Management One believes in constructive dialogue with our stakeholders through collaboration and cooperation with diverse stakeholders including customers, suppliers, local communities and government organizations.

## **7. Addressing specific environmental concerns**

### **■Efforts to address climate change:**

We recognize climate change as one of the most crucial global issues with the potential to impact the stability of financial markets, representing a threat to the environment, society, people's lifestyles and businesses.

At the same time, we believe there are new business opportunities arising from the need to transition to a low-carbon society, such as the field of renewable energy and other businesses and innovations which contribute to mitigating and adapting to the impact of climate change.

Asset Management One supports the Paris Agreement's objective to

“strengthen the global response to the threat of climate change”.

In light of this, we have included responding to climate change as a key pillar of our business strategy and will take the following actions in order to proactively fulfill our role as an asset management company in the effort to achieve a low-carbon society (achieve net zero greenhouse gas emissions) and to develop a climate change resilient society by 2050.

- We are directing finance flows towards achievement of the Paris Agreement targets to limit in the global average temperature rise, and we are undertaking phased transformation to a finance portfolio aligned with said targets.
- We will engage in proactive, constructive dialogue in response to our clients’ individual concerns and needs, and in support of their efforts to introduce climate change countermeasures and transition to a low-carbon society in both the medium and long term.
- We will proactively develop and offer financial products and services designed to support clients’ efforts to introduce climate change countermeasures and transition to a low-carbon society.
- We understand the importance of climate-related financial disclosures and we utilize the framework under the Recommendations of the TCFD<sup>3</sup> in order to leverage growth opportunities and strengthen risk management as well as disclose information in a transparent manner regarding our progress.

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<sup>3</sup> TCFD: Task Force on Climate-related Financial Disclosures