

April 3, 2023

Asset Management One Co., Ltd.

AM-One to Update its Materiality Map

Asset Management One Co., Ltd. (“AM-One” ; President & CEO Noriyuki Sugihara) announces that AM-One has updated its materiality map after a scheduled review.

In order to identify and gain an understanding of the important global environmental and societal issues that present barriers to “Creating a sustainable future through the power of investment”, we performed analysis using the two axes of sustainable materiality and financial materiality, and in October 2021, AM-One created our own unique materiality map.

And in July 2022, we undertook an ad hoc review that took into account Russia’s invasion of Ukraine, and released an updated materiality map along with an explanation of the update process in our [SUSTAINABILITY REPORT 2022](#).

As a result of an annual scheduled review, the materiality map has been updated as described below.

① Diversity, equity and inclusion (name changed from “D&I (including gender)”)

Name changed in consideration of the importance of equity in an environment with a societal structure where inequality exists¹.

② Sustainable city (name changed after integrating “Inefficient infrastructures” and “Urbanisation (public transport, housing)”)

Name changed to expand the scope of this item in reflection of the fact that issues pertaining to cities are not limited to urbanisation².

¹ Whereas “equal” refers to treating each and every person in the same way without considering the barriers or disadvantages that exist within certain groups, “equitable” means providing opportunities to all people after recognizing that people have unequal starting points and taking into consideration distortions in terms of societal structure.

² As well as the issue of urbanisation that occurs due to concentration of the population, other potential environmental and societal issues may include issues that occur along with population decline and urban development.

③ Natural disasters (position moved one place up on sustainable materiality axis)

Change made in reflection of the frequent occurrence of natural disasters around the world and the emergence of a vicious cycle of natural disasters and poverty mainly in developing countries.

④ Education gap (moved one place right on the financial materiality axis)

Importance changed in reflection of calculations showing that elimination of the education gap would contribute to economic growth in regions including Africa and South Asia³.

⑤ Labor skill development, and structural unemployment and decrease of income (moved one place right on the financial materiality axis)

Importance changed in consideration of the fact that an increase in the currently insufficient number of re-skilling opportunities would lead to economic growth⁴.

⑥ Racial discrimination (moved one place right on the financial materiality axis)

Importance changed in reflection of the result of calculations suggesting economic losses as a result of racial discrimination reached approximately \$3 trillion in 2019 alone⁵.

AM-One treats this materiality map as a compass to become an asset management company that works toward “Creating a sustainable future through the power of investment, and uses it as a guide in a range of business activities that include engagement, the exercise of voting rights, investment decisions, product strategy formulation, and corporate sustainability activities. In order to keep contributing to asset formation for all of our customers, through our provision of sustainable products and services, we shall work to help build a sustainable society and a future for our customers.

Please see the link below for disclaimer: <http://www.am-one.co.jp/english/disclaimer>

³ Hanushek, E. A., & Woessmann, L. (2022). The Basic Skills Gap. FINANCE & DEVELOPMENT.

⁴ World Economic Forum PricewaterhouseCoopers (PwC). (2021). Upskilling for shared prosperity. World Economic Forum.

⁵ Buckman et al. (2022). The economic gains from equity. Brookings Papers on Economic Activity, 2021(2), 71-139.

[Updated materiality map]

