

April 10, 2024

Asset Management One Co., Ltd.

AM-One to Update its Materiality Map

Asset Management One Co., Ltd. ("AM-One"; President & CEO Noriyuki Sugihara) has announced the update of its Materiality Map.

In order to identify and understand significant global environmental and social issues that act as obstacles to "Creating a sustainable future through the power of investment", AM-One conducted an analysis based on two axes: "Sustainable Materiality" and "Financial Materiality", and in October 2021, we formulated our own unique Materiality Map.

As a result of this year's map review, we have updated the Materiality Map as follows:

① **Financial Inclusion** (Issue newly added)

Financial Inclusion refers to ensuring access to legitimate financial services for all people in society without exclusion. In particular, we emphasize on necessity of improving the financial access for individuals and small and medium-sized enterprises in developing and emerging countries. Considering the negative impact of economic opportunity loss and hindrance to sound economic growth, we have newly added this issue to the map.

② **AI and Digital Innovation**

(Changed the issue name and position by combining "Delay in AI and Digital Adaptation" and "Stagnation in Innovation (hindrance to economic development)")

As technology such as AI and IoT is difficult to separate as terms and meanings, we have merged these two categories to reflect the common challenges related to technology development and implementation. Additionally, due to the high economic potential of AI, we have positioned it in the second materiality level on the sustainability axis and the fifth level on the financial axis.

③ **Lack of Global Technological Standards** (Removed from the map)

Considering the progress of technology development and competition, and the convergence of global technological standards to a certain extent, we have evaluated that the materiality of this issue has decreased and therefore decided to remove it.

④ **Natural Hazards**

(Name changed from "Natural disasters other than ones that are caused by Climate Change")

By clearly distinguishing between natural phenomena and damages caused by disasters, we believe that it enhances people's awareness and understanding of initiatives for disaster prevention and mitigation, instead of considering natural disasters as unavoidable. Hence, the name has been changed.

⑤ **Reskilling and Lifelong Education**

(Name changed from "Acquiring Future Technology and Structural Unemployment and Income Reduction")

Considering that the terms "reskilling¹" and "lifelong education²" have begun to be widely recognized in society, we decided to change the name.

⑥ **Adverse outcomes of technological advances**

(Position shifted to a higher level on the Sustainable Materiality axis)

Recognizing the increasing potential risks associated with the rapid development and widespread use of AI technology, we have revised the materiality level accordingly.

⑦ **Digital Power concentration**

(Position shifted to a lower level on the Sustainable Materiality axis)

Due to the strengthening of regulations in various countries, it has become a social norm to enable individuals to have options regarding access acceptance levels to personal information when companies collect such information. Therefore, we have lowered the materiality level.

⑧ **Water, Air, and Soil Pollution**

(Position shifted one level to the right on the Financial Materiality axis)

Taking into account the raised awareness of chemical substance risks and the estimated cost of damages³, we have heightened the materiality level.

AM-One regards the Materiality Map as a foundation for becoming an asset management company that aims to realize "Creating a sustainable future through the power of investment". It serves as a guiding principle for a wide range of our business activities, including engagement, voting rights exercise, investment decision-making, product strategies, and corporate sustainability. Through offering sustainable products and services, we will continue to contribute to the sustainable society and the future of our customers' assets.

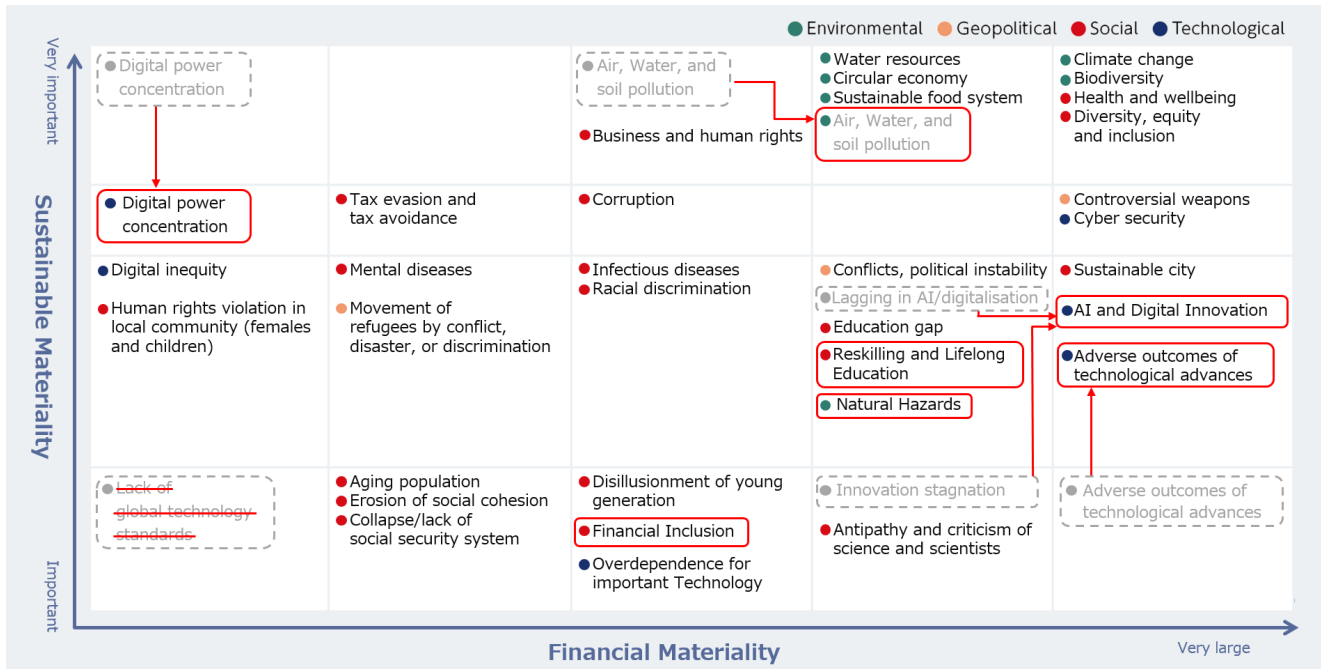
1. Reskilling: Acquiring the necessary skills to enter new occupations or adapt to significant skill changes required in current occupations. Reskilling is initiated by the company and involves learning new skills to respond to technological innovations and changes in business models.

2. Lifelong Education: Returning to educational institutions or taking courses designed for working professionals to continue learning after starting their working career. Lifelong education is driven by individuals themselves, allowing them to update their knowledge and skills.

3. Chemsec "The top 12 PFAS producers in the world and the staggering societal costs of PFAS pollution" (<https://chemsec.org/reports/the-top-12-pfas-producers-in-the-world-and-the-staggering-societal-costs-of-pfas-pollution/>) (Accessed on November 27, 2023)

The estimated total social cost, including the cost of PFAS (per- and polyfluoroalkyl substances) removal and healthcare expenses, by 2050 amounts to €4.7 trillion per year. PFAS are considered "forever chemicals" with significant societal costs due to pollution.

[Updated Materiality Map]



Furthermore, the changes in Materiality during the fiscal year 2022 are disclosed in the "[Sustainability Report 2023](#)."

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