

Resona Asset Management

SUSTAINABILITY REPORT

2025 / 2026

Highlights



Resona Asset Management

1 Introduction

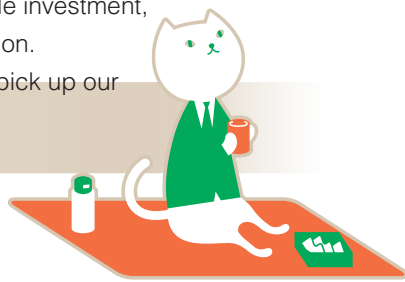
Resona Asset Management's Purpose is to ensure a prosperous and happy life for future generations as well as our customers.

We are engaged in a variety of initiatives to achieve "stable investment returns" and a "sustainable society," with the aim of passing on "prosperity" and "happiness" to future generations.

As part of these efforts, we publish an annual report to provide an update on our activities.

We have compiled this Sustainability Report Highlights to help more people learn about our approach to responsible investment, our initiatives, our track record, and our future direction.

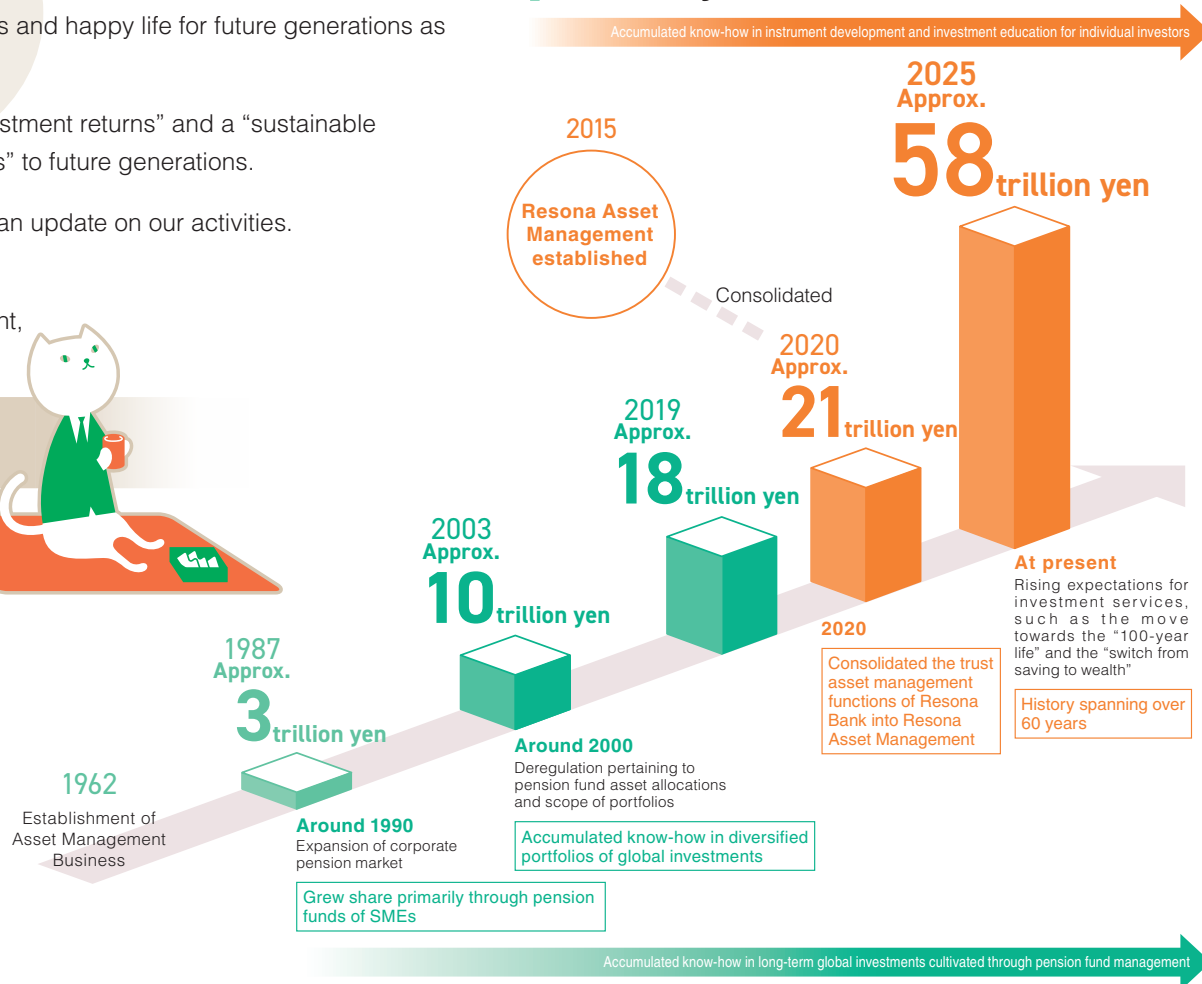
We hope that even first-time readers will feel free to pick up our report.



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Resona Asset Management's Figures & History



Resona Asset Management's Responsible Investment

Sustainability issues, including climate change, are already manifesting as concrete risks and opportunities. Today's asset management firms are expected not only to take sustainability issues into account to enhance corporate value and maximize medium- to long-term returns, but also to proactively engage with the real world and generate the impact needed to improve conditions. In doing so, they must commit to maintaining and improving social and environmental sustainability and realizing a better future. Resona Asset Management is committed to integrating ESG into our investment decision-making process (ESG integration), engaging with investee companies, and participating in proxy voting, to enhance the corporate value of our investee companies and maximize medium- to long-term returns. Moreover, as a responsible long-term investor and universal owner, we engage with a broad range of stakeholders and practice impact investing as we work towards realizing our Purpose. As the top-priority issues that we must resolve through our responsible investment activities, we have identified "Materiality for Responsible Investment" and established it as the foundation for all our activities.

Basic Policy on Responsible Investment

- Promoting the enhancement of corporate social value and sustainable growth from a medium- to long-term perspective
- Specifying the following items ① through ④ as concrete measures

Compliant with the Japan's Stewardship Code
(Principles for Responsible Institutional Investors)

Implementing various responsible investment activities

① ESG Integration

Evaluate companies' ESG (Environment, Social, and Governance) initiatives and incorporate them as a key factor in our investment decisions.

For more details, see page 4

② Engagements

Engage in dialogue on material sustainability issues and other topics to promote the medium- to long-term value creation and sustainable growth of our investee companies.

For more details, see page 5

③ Proxy Voting

As a responsible investor, make appropriate decisions on whether to support or oppose important proposals submitted at shareholders' meetings and other such gatherings.

For more details, see page 4

+ Intention

④ Impact Investment

Make investments intended to create a positive social and environmental impact.

For more details, see page 6

Enhancing corporate value across the entire market over the medium-to long-term

Our investee companies achieve sustainable, stable long-term growth through sustainable management, maximizing the medium- to long-term value of total assets under our management.

Maintaining and improving the sustainability of society and the environment

Establish the foundation for corporate activities centered on a sustainable society and environment.

Purpose

"To ensure a prosperous and happy life for future generations as well as our customers"



Materiality for Responsible Investment

For more details, see page 3

Identify the top-prioritized sustainability issues that our company should address through responsible investment activities.

Climate change mitigation and adaptation

Sustainable use of natural capital

Declining birthrate and aging population

Child and forced labor

Corporate governance

etc

Materiality for Responsible Investment

Our “Materiality for Responsible Investment” is defined as the top priority issues that we must resolve through our responsible investment activities.

We believe that by addressing these issues, we can maintain and enhance “social and environmental sustainability,” which serves as the foundation for economic growth and the business activities of our investee companies, thereby contributing to the achievement of our goal of “maximizing the value of invested assets over the medium- to long-term.” Moreover, by making materiality the foundation of all our activities, we can conduct consistent, effective, and efficient responsible investment activities aimed at realizing our Purpose.

● Eight items of “Materiality for Responsible Investment”

Materiality Item Title		Contents
① Climate change mitigation		Mitigate climate change through the use of renewable energy, energy conservation, promotion of a circular economy, and recovery of greenhouse gases.
② Climate change adaptation		Adapt to impact of climate change on socioeconomics, ecosystems, and infrastructure through prevention and risk diversification of damage from natural disasters, selective breeding of crops, and design of appropriate insurance products.
③ Sustainable use of natural capital		Ensure the sustainable use of natural capital (including water resources, forest resources, and biodiversity) through the control of its use, conservation and restoration, and the promotion of the circular economy.
④ Eradication of child and forced labor and improvement of working conditions		Eradicate child and forced labor and improve working conditions in business activities, covering supply chains, through supply chain management, development of grievance mechanisms, and ensuring appropriate wage levels.
⑤ Resolution of poverty and wealth inequality		Improve the problems of poverty, concentration and immobilization of wealth and resources, and inequality in access to education and economic opportunities, through development of social security systems, redistribution of wealth, and contributions to improving access to education.
⑥ Countermeasures for the declining birthrate and aging population		Contribute to solving problems such as economic decline and lack of leaders in the economy, society, and culture caused by the declining birthrate and aging population, through promoting flexible work styles, providing childcare and educational services, and establishing succession plans.
⑦ Better DE&I		Improve DE&I through boosting diversity of directors and management, expansion and revision of personnel systems, and internal training.
⑧ Improvement of corporate governance and management transparency		Improve corporate governance and ensure management transparency through enhanced effectiveness of the board of directors, adequate information disclosure, thorough compliance and risk management.

PICK UP!

Identifying “climate change,” “natural capital,” and “human rights” as key priority issues, we established the following three policies in 2023.

Policy on
Climate

Policy on
Nature

Policy on Human Rights Issues
Related to Investment
Management

Based on these policies, we encourage our investee companies to take action, through dialogue, engagement, and the exercise of voting rights.

For more details, see page 25 of the “Sustainability Report 2025/2026”

PICK UP!

We reviewed our materiality in 2024 in light of various changes in the external environment. Based on the results of an internal survey of employees, including younger employees, two new materiality topics—“Poverty and wealth inequality” and “Declining birthrate and aging population”—have been added. We plan to review these topics approximately every three to five years.

For more details, see page 17 of the “Sustainability Report 2024/2025”

PICK UP!

We discussed with experts Asako Osaki and Ayako Sonoda, along with five of our employees, to strengthen our efforts regarding “Declining birthrate and aging population,” a new materiality issue, and to explore our role in this context.

For more details, see page 19 of the “Sustainability Report 2025/2026”

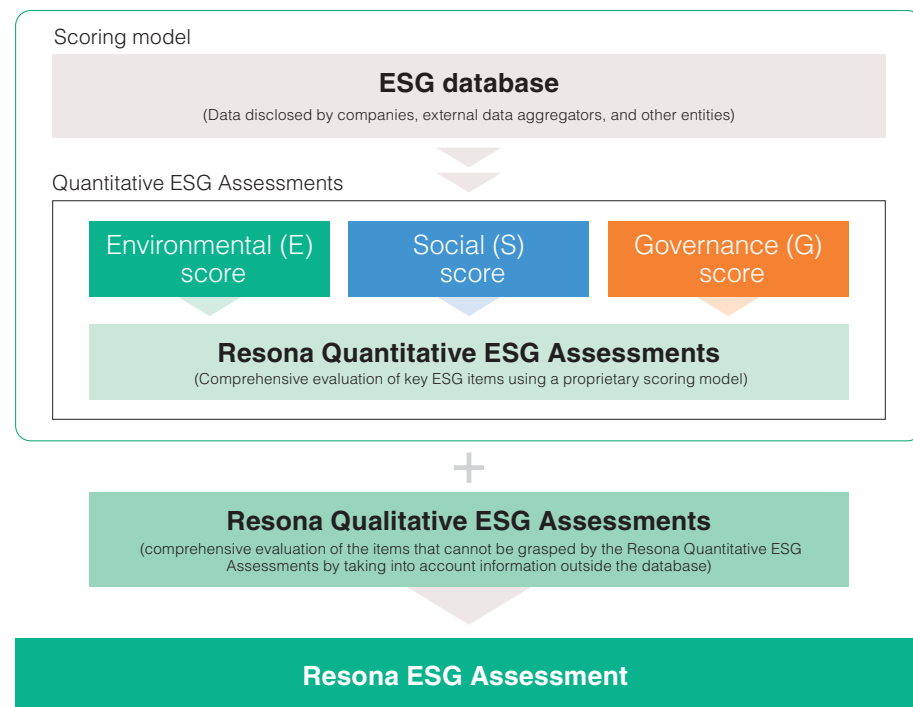


ESG integration

ESG integration is the process of analyzing and evaluating ESG information from investee companies and other entities, and appropriately incorporating it into investment decisions and actions. We view ESG integration as an essential element for improving long-term investment performance.

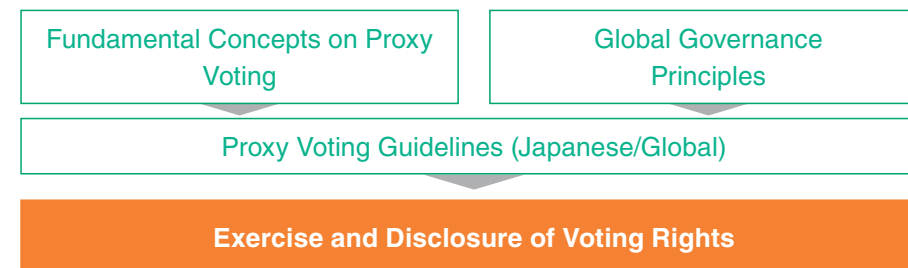
Resona ESG Ratings

We use our proprietary corporate evaluation model, the Resona ESG Assessment, as the foundation for ESG integration across our company. We aim to gain a comprehensive understanding of how various companies address ESG-related risks and opportunities using broad, consistent criteria.



Proxy Voting

We also exercise our voting rights in investee companies to achieve our goal of “maximizing the value of invested assets over the medium- to long-term” through sound judgment as a responsible institutional investor.



We have established our Fundamental Concepts on Proxy Voting to guide our decision-making as an asset manager, as well as our Global Governance Principles, which outline our standards for ideal corporate governance. Based on these guidelines, we have established separate proxy voting guidelines for Japanese and global equities. We regularly review both criteria based on voting results and other factors.

The proxy voting process

- **The agenda items that can be judged categorically by the proxy voting guidelines**
Decided at the discretion of the General Manager of the Responsible Investment Division after the content has been deliberated in accordance with the proxy voting guidelines.
- **The agenda items that cannot be judged categorically by the proxy voting guidelines**
Decided at the discretion of the President after the content has been deliberated by the Responsible Investment Committee.

The decisions made through the above process are subject to appropriate monitoring, including verification by the Investment Risk Administration Division and the Responsible Investment Verification Committee, a third-party committee.



Engagements

We engage in dialogue with our investee companies and other stakeholders on material sustainability issues to promote medium- to long-term value creation and sustainable growth. To realize our Purpose, “to ensure a prosperous and happy life for future generations as well as our customers,” it is essential that we conduct our business in a way that enables our investee companies to achieve sustainable and stable growth over the long term, grounded in a foundation of social and environmental sustainability. We regard engagement as one of the means by which we work with our investee companies to achieve our purpose.

Resona Asset Management’s Engagements

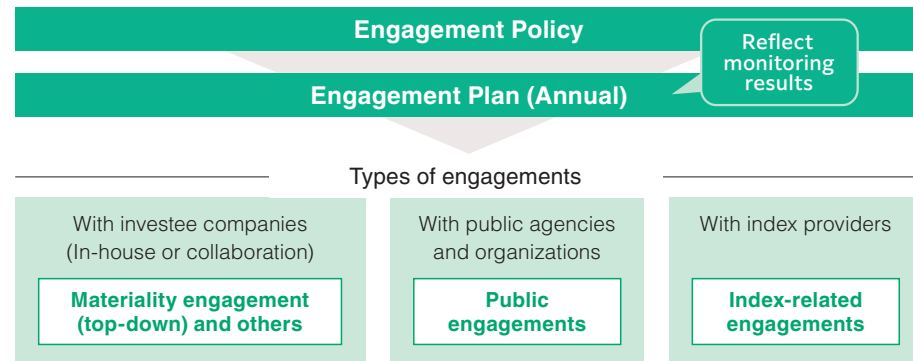
Our engagements are distinguished by the following features.

- ① **Top-down approach based on our materiality**
- ② **Our extensive network of external experts, regulators, NGOs, and domestic and international initiatives**
- ③ **Verification and advancement of activities through the PDCA cycle**
(see figure below)

■ Overview of engagements

To clarify the purpose, basic processes, and other aspects of our dialogue and engagement activities, we have established an “Engagement Policy.” Based on this policy, we formulate an annual “Engagement Plan” that outlines priority themes, target companies, and engagement items for our engagement activities.

Outcomes from engagement activities conducted in accordance with the plan are monitored by bodies such as the Responsible Investment Committee, including external experts, and are reflected in the formulation of the next plan.



Materiality engagement

Our Materiality engagement (top-down) involves identifying themes based on our company’s materiality and global sustainability issues, and then selecting target companies to engage with, taking into account their relevance to those themes. We aim to encourage investee companies to address financial risks and opportunities related to materiality and other factors, and to maintain and enhance the social and environmental sustainability that serves as the foundation for economic growth and business activities.

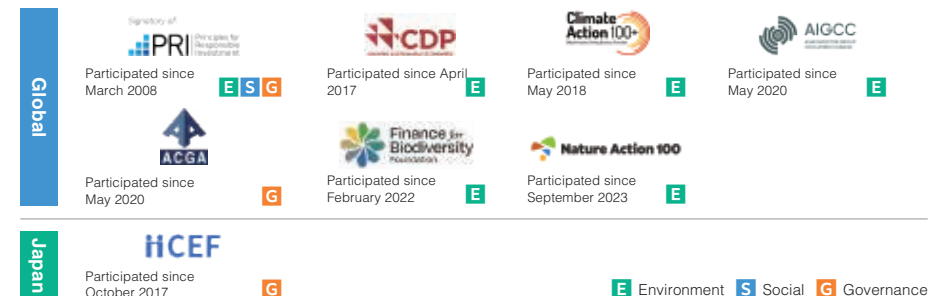
■ In-house engagements

Case: Engagement on “Sustainable Palm Oil Procurement”

Encourage major investee companies related to the palm oil supply chain to ensure palm oil traceability and switch to procuring certified palm oil.

- Relevant materiality: climate change mitigation, sustainable use of natural capital, eradication of child and forced labor, improvement of working conditions
- Target entities: Companies within the supply chain that use large amounts of palm oil (general trading companies, oil refiners, food companies, etc.)
- Method: Set milestones and corresponding goals to track the progress of companies’ initiatives

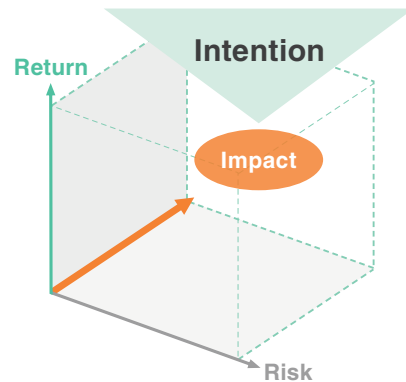
■ Collaborative engagements (Major initiatives we participate in)



Impact Investment

Impact investment is an investment approach that also seeks to create “impacts” in terms of positive outcomes for society, along with the pursuit of investment returns. A key distinguishing feature of impact investment is that the associated impacts are intentionally created through the investment, rather than as by-products of the investment.

Resona Asset Management’s Impact Investment



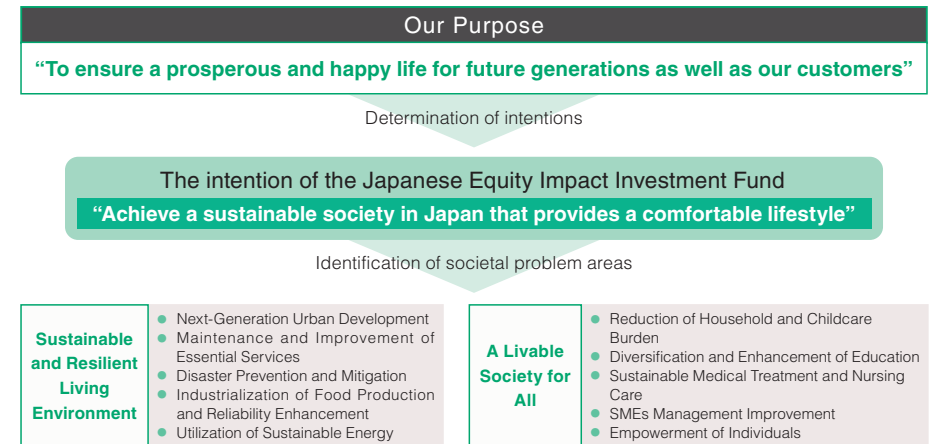
Resona Asset Management’s impact investing establishes clear intentions based on our Purpose.

In addition to stating such intentions, we will also contribute to achieving these outcomes as an investor through engagement with investee companies to such ends.

For example, our intention for the Japanese Equity Impact Investment Fund is to “achieve a sustainable society in Japan that provides a comfortable lifestyle.” Japan faces a range of threats to the sustainability of its society, many of which are rooted in demographic changes, including declining birthrates, an aging population, and population decline. Moreover, these problems threaten to increase the burden on the next generation and create widespread anxiety, further exacerbating the effects of low birth rates. This, in turn, has the potential to worsen the adverse issues already affecting society.

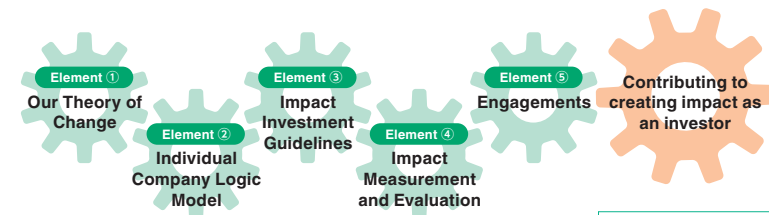
With activities centered on the ten problem areas described below, we carry out the Japanese Equity Impact Investment Fund to put a stop to this negative spiral and achieve a sustainable society in Japan that provides a comfortable lifestyle. (See the figure above right)

● Example: Japanese Equity Impact Investment Fund



Resona Asset Management’s Impact Management System

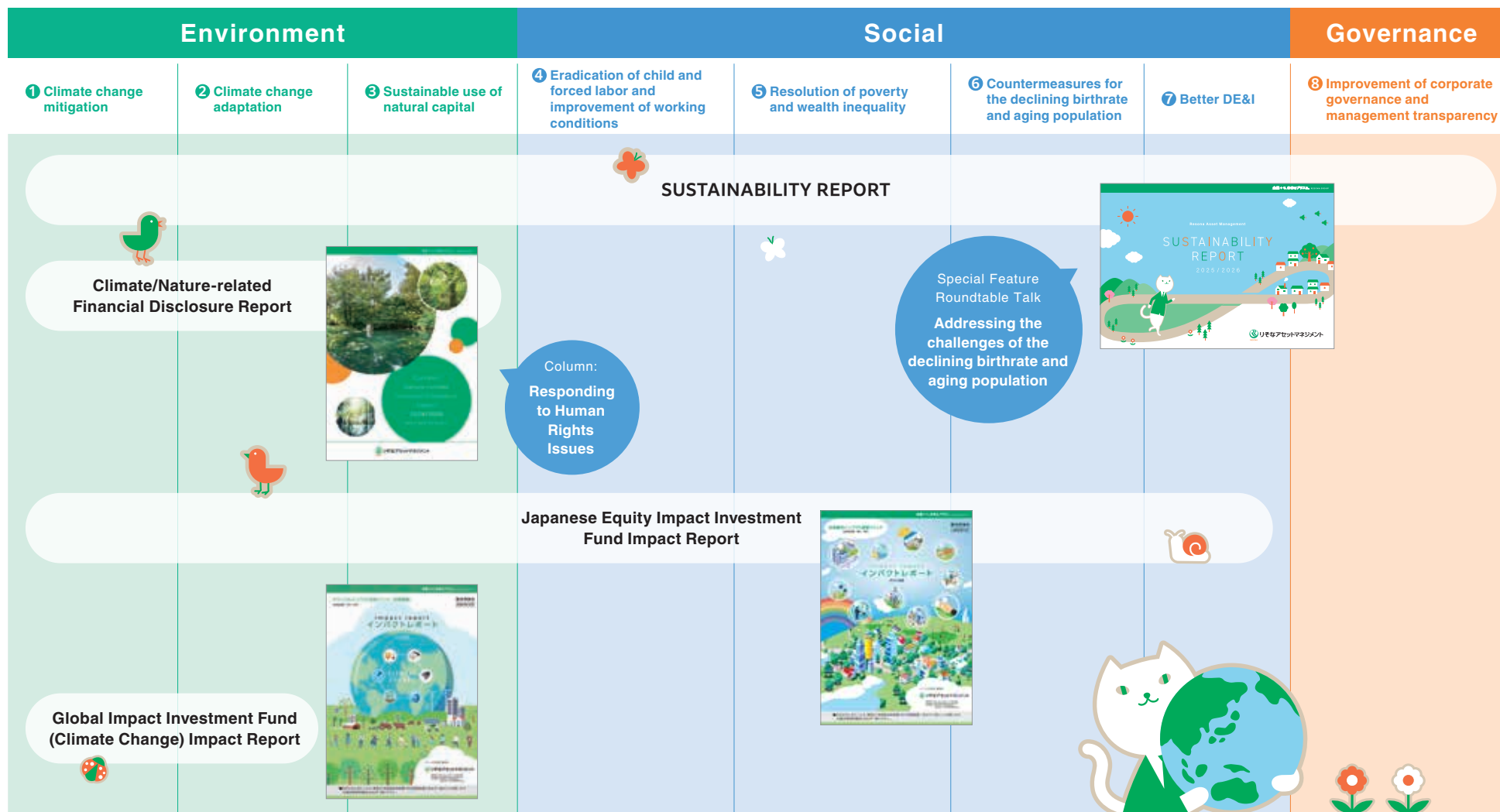
To achieve our intention, we need a systematic framework that enables us to generate a continuous impact. In line with international principles, we have developed our own Impact Management System and manage impact investment funds. We believe that we can contribute as an investor by interlocking these five elements like gears and supporting our investee companies in generating a continuous impact.



For more details, see page 85 of the “Sustainability Report 2025/2026”

7 Mapping of Sustainability-Related Reports to Our Materiality Topics

In addition to this Sustainability Report, we engage in reporting based on various perspectives and frameworks as part of our responsible investment activities based on materiality. For the priority areas for which we have established specific policies—"climate," "nature," and "human rights"—we are working to enhance the depth and quality of our disclosures.



SUSTAINABILITY REPORT

Concept of the Sustainability Report

We are engaged in a variety of initiatives to achieve “stable investment returns” and a “sustainable society,” with the aim of passing on “prosperity” and “happiness” to future generations. As part of these efforts, we publish an annual sustainability report that provides an update on our corporate sustainability initiatives and specific activities related to responsible investment.

2025 PICK UP!

- Awarded the Excellence Award in the Nikkei Institutional Investor Report Awards
- Review of the Basic Policy on Responsible Investment
- Revision of the Policy on Compliance with the Stewardship Code



This is the full version of pages 1–6 of this report.

For more details



SUSTAINABILITY REPORT 2025/2026 Featured Contents

■ Special Roundtable Discussion: Addressing the Challenges of the Declining Birthrate and Aging Population

In response to the selection of “Countermeasures for the declining birthrate and aging population” as a newly added “Materiality for Responsible Investment,” we invited experts Asako Osaki and Ayako Sonoda to discuss the role we, as an asset management firm, can play in addressing this issue.

The discussion focused on the perspectives of “care” and “well-being.” The two experts highlighted that, amid the declining population, the need to rebuild the foundations of “care,”



which is essential for human survival, is being recognized as a global priority, and suggested that taking the necessary steps to realize a society of well-being remains effective even in the face of declining birthrates and an aging population. With this in mind, we were able to gain guidance on the initiatives we should pursue going forward, including, for example, our role as an asset management company in engaging with investee companies to work towards “realizing the value of ‘care’ in society.”

■ Column: Interviews with our employees working on the front lines of responsible investment activities

In the SUSTAINABILITY REPORT 2025/2026, we conducted interviews with our employees working on the front lines of responsible investment activities for the first time since the report’s first publication.

In this column, we feature the thoughts of our employees and the initiatives and innovations they are implementing on the front lines of our responsible investment activities. From a practical perspective, you can see how we promote responsible investment.

Climate/Nature-related Financial Disclosure Report

Concept of the TCFD/TNFD Report

This report presents an integrated explanation of our approach to addressing the challenges of climate change and the loss of natural capital and biodiversity, which are the issues we consider highest priority in achieving our Purpose, by referencing frameworks based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and Task Force on Nature-related Financial Disclosures (TNFD), as well as the SSBJ Sustainability Disclosure Standards.



For more details



● Resona Asset Management TCFD/TNFD Report (2024/2025) Overview



1. Governance

Governance framework for sustainability issues

- The status of our efforts to address sustainability issues is reported to the Board of Directors, and material sustainability matters are discussed and monitored by the Responsible Investment Committee.
- Our Proxy Voting Guidelines and proxy voting results are verified at the Responsible Investment Verification Committee Meeting, which comprises three external experts.



2. Strategy

We determine which industrial sectors we should focus on.

We analyze material risks and opportunities for each industry sector, assess their financial effects, and identify anticipated countermeasures.

Based on the analysis results, we consider adding or improving measures.



3. Risk and Impact Management

We manage the risk of losses in assets held in trust arising from climate/nature-related risks (including system-level risks), based on the “Basic Approach to the Identification, Assessment, and Management of Climate and Nature-related Risks” established after discussions at our company as a whole.

Overview of “Basic Approach to the Identification, Assessment, and Management of Climate/Nature-related Risks”

- ① Identify, assess, and manage climate/nature-related risks, integrated with other risks, within our overall risk management system.
- ② Implement the company-wide PDCA cycle to identify, assess, and manage climate/nature-related risks.



4. Metrics and Targets

- We have identified metrics to assess and manage climate/nature-related risks and opportunities, and to evaluate performance.
- We plan to continually review metrics and targets to improve the quality of assessment and management of climate/nature-related risks and opportunities.

Impact Report (Japanese Equity/Global [Climate Change])

Concept of the Impact Report

We regularly measure and evaluate the type and extent of impact generated by our investee companies. We publish the Impact Report to help our clients clearly understand how the funds they invest support our investees' business activities and contribute to building a better society.



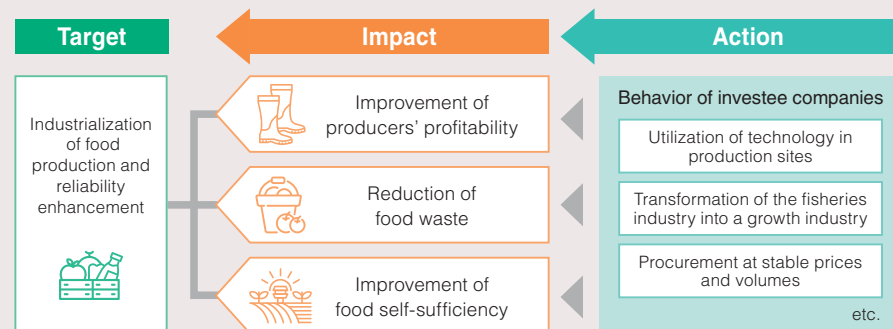
For more details



Impact Report (Japanese Equity Impact Investment Fund)

We disclose information for each of the 10 problem areas (Impact Targets), including our vision for the future, impact goals, the investee companies contributing to these goals, estimated quantitative outcomes, and qualitative impact assessments.

Example: Impact targets and corporate actions that contribute to the "industrialization of food production and reliability enhancement"



Impact Report (Global Impact Investment Fund [Climate change])

We disclose an overview of the challenges, our vision for the future, and quantitative and qualitative impact assessments for each of the eight priority solution areas (Impact Targets).

Example: Impact targets and corporate actions that contribute to the "GHG reduction measures other than electrification and energy-saving Initiatives"

