

MUFG AM Sustainable Investing Policy

MUFG Asset Management (MUFG AM) is the global brand of Mitsubishi UFJ Trust and Banking Corporation, Mitsubishi UFJ Asset Management Co., Ltd., Mitsubishi UFJ Real Estate Asset Management Co., Ltd., Mitsubishi UFJ Asset Management (UK) Ltd. and Mitsubishi UFJ Alternative Investments Co., Ltd..

MUFG AM has established the MUFG AM Sustainable Investing Policy (the Policy) as an approach to lay a solid foundation for the promotion of sustainable investing.

1. Fundamental approach to sustainable investing

MUFG AM believes that sustainable investing will bring long-term financial returns and solutions to environmental and social challenges that will result in creating a better future for us. With our shared vision, "Investing for our Sustainable Future", we will promote sustainable investing through ongoing dialogues with investee companies, asset owners and stakeholders to fulfill our fiduciary duty.

2. Our actions for a sustainable future

MUFG AM believes that delivering a sustainable future requires an approach of sustainability transformation. Our investment approach and processes will therefore incorporate the following actions.

(1) ESG integration

MUFG AM believes that investments that take into account risks and opportunities stemming from environmental (E), social (S) and governance (G) factors will improve long-term risk-adjusted returns and contribute to solving ESG issues. Accordingly, MUFG AM will promote the incorporation of ESG information alongside financial information into the investing process (ESG integration).

(2) Stewardship (engagement and proxy voting)

Stewardship is undertaken by highly-qualified experts in ESG, fund managers and analysts who will perform company engagement and proxy voting activities. MUFG AM is committed to improving the risk and return profiles of the assets under management by identifying and reducing risks that could materialize over the long term, and enhancing sustainable growth and corporate performance. We will promote solutions to sustainability challenges to realize a sustainable future.

(3) Exclusion and divestment

MUFG AM believes that engaging with investee companies can empower them to make positive changes towards a sustainable future. For companies involved in businesses considered contrary to the realization of a sustainable future, MUFG AM will, in principle, implement negative screening for all the assets under management that we are entrusted with; however, this does not apply to investments based on customer guidelines,

outsourced investment, and passive investment.

(4) Development and provision of products and services that transform society

MUFG AM recognizes the importance of providing transformative investment products and services that capture the actual needs of customers and markets in order to achieve a transformation to sustainability. To this end, we will develop and strengthen our investment strategies and approaches, and seek to provide solutions.

(5) Identification of issues to be resolved

MUFG AM will prioritize the issues for urgent resolution that prevent the realization of a sustainable future, and that make a negative impact on assets under management over the long term. We believe that addressing climate change issues is essential for the realization of a sustainable future. In this connection, MUFG AM joined the "Net Zero Asset **Managers initiative**", and **expressed its commitment** to the realization of carbon neutrality with the promotion of transition*¹ through sustainable investment. Aiming for carbon neutrality by 2050, we are committed to promote the transition that enables high Greenhouse Gas (GHG) emitting industries to contribute to decarbonizing-society.

*¹ Transition: a transition approach in which industries with high GHG emissions are empowered and enabled to contribute to carbon-neutrality with such initiatives as renewable energy for decarbonization and low-carbonization

(6) Definitions of sustainable investing funds

Definitions of sustainable investing funds of each MUFG AM company are defined based on this Policy to further promote sustainable investment.

3. Scope of application

Sustainable investing activities set forth in this Policy are in principle applicable to all classes of entrusted assets under management by MUFG AM.

The Policy will be revised on a regular basis, and subject to changes in the business activities and environment of each MUFG AM company.

Disclaimer

The Policy is established by the entities listed as comprising MUFG AM above. For the avoidance of doubt, no contractual or agency relationships arise between any MUFG AM entity and any other MUFG group entity as a result of or in connection with the disclosure or implementation of the Policy. Further, neither any MUFG AM entity nor any other MUFG group entity assumes any legal obligation, liability or responsibility as a result of its disclosure and implementation.

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