

Sumitomo Mitsui Trust Asset Management President's Message



Yoshio Hishida

Representative Director and President
Sumitomo Mitsui Trust Asset Management Co., Ltd.

I offer my heartfelt sympathy to those afflicted by COVID-19, as well as their families, and to the many people whose livelihoods and business activities have been deeply affected by the pandemic.

Currently in many parts of the world, people are reconsidering the significance of companies and work. The discussion around achieving a carbon-neutral society by 2050 is also not entirely unrelated to this movement. More so than in the past, I believe the first step in rethinking, even in the slightest, one's relationship with a company and society is the start of a much larger groundswell. At the same time, as a responsible institutional investor, I believe it is our mission to utilize our asset management services and help people achieve the goals and ideal images they envision for the future. To that end too, I think our stewardship activities—i.e., contributing to improvements in corporate value through dialogue with investee companies and promoting activities in ESG fields—are extremely important.

In January 2021 we established ESG criteria for director appointment proposals in our guidelines for the exercise of voting rights for Japanese equity investments. In July, we joined the Net Zero Asset Managers Initiative, a global initiative comprising asset managers committed to supporting the goal of net-zero greenhouse gas emissions at investee companies by 2050. Then in November we were the only Japanese asset management firm to endorse and sign the Financial Sector Commitment Letter on Eliminating Commodity-Driven Deforestation announced at the 26th Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP26).

Through our participation in these kinds of global initiatives we seek to express our opinion as a Japanese asset manager. At the same time, we will aim to contribute to a higher level of sustainability on a global scale by actively incorporating progressive ESG activities from abroad into our global ESG perspectives when engaging with Japanese companies.

Nikko Asset Management President's Message



Junichi Sayato

Chairman, President & CEO
Nikko Asset Management Co., Ltd.

In 2021 a whole host of social challenges surfaced worldwide, including the spread of the COVID-19 pandemic, climate change, economic disparity, and human rights. It was a year during which the awareness of sustainability was called into question once again.

As an asset management company, the mission of Nikko Asset Management (Nikko AM) is to always act in the best interests of its clients. For that reason, our corporate philosophy hinges upon fiduciary and ESG principles. We incorporate ESG principles into every investment decision-making process and endeavor to fulfil our fiduciary duties.

We have long supported sustained value creation at corporations through active engagement with investee companies. In 2021 we further strengthened our approach to fighting climate change by joining the Net Zero Asset Managers Initiative, a project that aims to reduce greenhouse gas emissions to net zero by 2050.

2021 was also a year in which we made progress with our own sustainability initiatives. In environment- and climate-related fields, we updated our environmental policy and set a target of reducing the Nikko AM Group's greenhouse gas emissions per employee by 40% by the year 2030 compared to our 2019 level. Also, in the area of diversity, we set a group target for women in management positions to reach 30% by 2030. We consider diversity to be a source of innovation and believe that achieving a gender balance at the decision-making level is absolutely essential.

For a corporation, strategies are vital, but corporate culture is even more important. We believe that the entrenchment of sustainability concepts into Nikko AM's corporate culture is not only necessary to fulfill our social responsibilities, but will also lead to sustainable corporate management.