

March 26, 2020

To whom it may concern

Sumitomo Mitsui Trust Bank, Limited

**Notice regarding the Conclusion of a Positive Impact Finance (with unspecified use of funds)**  
**Loan Agreement (with SUBARU CORPORATION)**




Sumitomo Mitsui Trust Bank, Limited (President: Masaru Hashimoto; hereinafter “SuMi TRUST Bank”) and SUBARU CORPORATION (President and CEO: Tomomi Nakamura; hereinafter “SUBARU”) concluded a “Positive Impact Finance (with unspecified use of funds)” loan agreement (hereinafter “this agreement”) that is in line with the Principles for Positive Impact Finance (\*1) released by the United Nations Environmental Programme Finance Initiative (hereinafter “UNEP FI”) (\*2).





Positive Impact Finance (hereinafter “PIF”) is a loan intended to provide continuous support to the corporate activities that we comprehensively analyze and evaluate the impacts (both positive and negative) of corporate activities on the environment, society and economy. The most notable feature of the loan is that the degree of contribution from corporate activities, products and services in achieving the corporates’ Sustainable Development Goals (SDGs) is used as evaluation indicators and disclosed as information. This is the world’s first PIF agreement as a Japanese yen denominated syndicated loan.

**【Agreement overview】**

Date of agreement	March 26, 2020
Arranger and agent	Sumitomo Mitsui Trust bank, Limited
Amount	JPY 10 billion
Use of funds	Working capital
Lenders (in the order of Japanese syllabary)	SUMITOMO LIFE INSURANCE COMPANY, The Dai-ichi Life Insurance Company, Limited, The Chukyo Bank, Limited., The Yamanashi Chuo Bank, Ltd., JAPAN POST BANK Co., Ltd., Sumitomo Mitsui Trust Bank, Limited

As Japan’s leading automotive manufacturer, SUBARU is taking initiatives in aims to materialize a sustainable society through automobiles. SuMi TRUST Bank assessed the following themes both qualitatively and quantitatively as initiatives that particularly have impact on achieving SDGs.

Theme	Content	KPI (Indicator and goal)	SDGs
Contribution to a decarbonized society	Initiatives to reduce CO2 emission based on the “Environment Action Plan” Improve vehicle fuel efficiency, equip with electric power technology, switch to EV and hybrid vehicles	<ul style="list-style-type: none"> <li>•Reduction of CO2 emission resulting from SUBARU’s own activities by 30% in FY2030 (vs. FY2016)</li> <li>•Shift more than 40% of global sales units to EV+hybrid vehicles by 2030</li> </ul>	  

Vehicle safety and pleasure in driving	Development of cutting-edge technology for safety features of vehicles	• Achieve zero fatal accidents* in 2030	 
Diversity	Respect diversity of female, disabled, foreign domiciled employees and provide a workplace environment receptive of such diversity	• Aim for more than 12 fold increase (vs. FY2014) in the number of women in management posts towards 2025	 

\* Eliminate all fatal accidents while riding SUBARU vehicles and fatal accidents from SUBARU collision with pedestrians and bicycles.

This agreement has obtained a third-party opinion (\*3) from Japan Credit Rating Agency, Ltd. (President: Shokichi Takagi) regarding compliance of the procedures related to this agreement’s evaluation to the Principles as well as the rationality of the evaluation indicators.

SuMi TRUST Bank set up an “ESG•SDGs support credit facility” with a total loan commitment of JPY 50 billion that offers a preferential interest rate to support clients that are promoting ESG/SDGs initiatives. Further, as a signatory to the Principles for Responsible Banking (\*4), we will continue making efforts in contributing to boost our clients’ corporate value over the medium to long term through PIF.

End

(\*1) The Principles for Positive Impact Finance

The Principles for Positive Impact Finance was developed by UNEP FI in January 2017 as a financial framework for achieving the SDGs. Companies disclose the level of contributions to achieving SDGs through KPIs. Banks then provide funding by evaluating the positive impact observed from these KPIs that is intended to guide the borrowers to increase positive impact and reduce negative impact.

The lending bank, as a responsible financial institution, will check if the impact is continuing or not by monitoring the indicators.

(\*2) The United Nations Environment Programme Finance Initiative (UNEP FI)

The United Nations Environment Programme (UNEP) is an executive body for implementing the “Human Environment Declaration” and the “International Environmental Action Programme”, established in 1972 as a subsidiary body to the United Nations system. UNEP FI represents a broad as well as close partnership between UNEP and more than 200 global financial institutions. Since its establishment in 1992, UNEP FI has been working in concert with financial institutions, policy/regulatory authorities to transform itself into a financial system that integrates economic development and ESG considerations.

(\*3) For the independent opinion from Japan Credit Rating Agency, Ltd., please visit:

<https://www.jcr.co.jp/en/>

(\*4) The Principles for Responsible Banking

The Principles for Responsible Banking was developed by a core group of 30 founding banks through an innovative global partnership between banks and UNEP FI. The unique feature is that impact assessment focusing on impact that corporate activities, products and services have on the environment and society is used for making investment and lending decisions. Sumitomo Mitsui Trust Holdings, Inc. (Director, President: Tetsuo Okubo) became a signatory on September 22, 2019.

For more information, please visit:

<https://www.unepfi.org/banking/bankingprinciples/>

For further information, please contact:

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