

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 Sumitomo Dainippon Pharma Co., Ltd.)






Sumitomo Mitsui Trust Bank, Limited (President: Masaru Hashimoto; hereinafter “SuMi TRUST Bank”) and Sumitomo Dainippon Pharma Co., Ltd. (Representative Director, President and Chief Executive Officer: Hiroshi Nomura; hereafter “Sumitomo Dainippon Pharma”) 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 intended to support corporations’ activities of which we comprehensively analyze and evaluate the impacts (both positive and negative) related to the environment, society and economy. The most notable feature of PIF is that the degree of contribution from corporate activities, products and services in achieving corporates’ Sustainable Development Goals (SDGs) is used as evaluation indicators and monitored based on publicly disclosed information.

Sumitomo Dainippon Pharma defines the practice of its Corporate Mission, “To broadly contribute to society through value creation based on innovative research and development activities for the betterment of healthcare and fuller lives of people worldwide,” as CSR-based Management, and is contributing to the achievement of SDGs through its business activities including the development of innovative products and healthcare solutions.

In concluding this agreement, SuMi TRUST Bank assessed the following initiatives of Sumitomo Dainippon Pharma both qualitatively and quantitatively as initiatives that particularly have impact on achieving SDGs.

Theme	Content	Goals and Indicators (KPI)	SDGs
Development of innovative products and healthcare solutions	Continuous development of pharmaceuticals in areas with high unmet medical needs	<ul style="list-style-type: none"> Development of innovative products on the three focus research areas (Psychiatry & Neurology area, Oncology area, and Regenerative Medicine/Cell Therapy field) Development of innovative best-in-class products focused on values and other areas 	  
Contribution to global health, healthcare infrastructure in developing countries, and improvement of access to medicines	<ul style="list-style-type: none"> Contribution to global health Improvement of healthcare infrastructure in developing countries and Initiatives to improve access to medicines 	<ul style="list-style-type: none"> Development of drugs to treat malaria and antimicrobial-resistant (AMR) bacterial infections Promotion of public awareness-raising activities for health, hygiene, and nutrition 	   

			 
Environmental initiatives	<ul style="list-style-type: none"> • Building a low-carbon society • Building a recycling-oriented society • Biodiversity conservation 	<ul style="list-style-type: none"> • Reduce greenhouse gas (GHG) emissions (Scope 1 + 2) by 35% from fiscal 2017 level by fiscal 2030 • Maintain recycling rate for waste at 80% or higher and aim for at least 85% by fiscal 2030 • Maintain final disposal rate for waste at less than 1% and aim for less than 0.5% by fiscal 2030 • Reduce water withdrawal by 12% from fiscal 2018 level by fiscal 2030 	  

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.

Through providing PIF and other solution for sustainability businesses, we will continue to support clients' business activities that contribute to the achievement of the SDGs and to contribute to the enhancement of their corporate value over the medium to long term.

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/>