



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 Hulic Reit, Inc.)**



Sumitomo Mitsui Trust Bank, Limited (President: Kazuya Oyama; hereinafter “SuMi TRUST Bank”) and Hulic Reit, Inc. (Executive Officer: Kazuaki Chokki; hereinafter “Hulic Reit”) 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 Environment 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 Sustainable Development Goals (SDGs) is used as evaluation indicator and monitored based on publicly disclosed information, and that we support corporations’ activities to achieve this goals through engagement.



Hulic Reit and Hulic Reit Management Co., Ltd. (“Asset Management Company”), which is entrusted with the management of Hulic Reit’s assets, share the corporate philosophy of the Hulic Group (Hulic Reit’s sponsor), which is to “create a society that always considers safety and peace of mind by providing the products and services that form the foundation for our customers’ social activity.” We believe that attention to the environment, society and governance (“ESG”) leads to the maximization of medium- and long-term value for Hulic Reit’s unitholders, and have thus established and put into practice its Sustainability Policy.

In addition to acquiring environmental certification, carrying out renovation work to enhance the energy-saving performance of our property holdings, and responding to TCFD (\*3) advice, we promote initiatives contributing to the health, safety and comfort of our customers (tenants, users) through dialogue with all stakeholders, and also aim to raise the value of our property holdings.




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

Theme	Content	Goals and Indicators (KPI)	SDGs
Promotion of Energy Conservation and Climate Change Countermeasures	<ul style="list-style-type: none"> <li>✓ Promote Greenhouse gas (“GHG”) emission reduction through energy conservation at portfolio properties</li> <li>✓ Promote proactive acquisition of green building certification with the intention of raising the reliability and objectivity of the achievements of initiatives for reducing</li> </ul>	<ul style="list-style-type: none"> <li>a. GHG emission reduction (Goal) <ul style="list-style-type: none"> <li>✓ Reduce GHG emissions intensity for the entire portfolio by 30% relative to the actual figures for 2018 by the end of 2030</li> </ul> (Indicator (KPI)) <ul style="list-style-type: none"> <li>✓ GHG emissions intensity (t-CO<sub>2</sub>/m<sup>2</sup>)</li> </ul> </li> <li>b. Energy Consumption reduction (Goal)</li> </ul>	 



	<p>environmental footprint</p> <p>[Assets with strong relevance]</p> <ul style="list-style-type: none"> <li>✓ Office properties</li> <li>✓ Retail properties</li> <li>✓ Private nursing homes</li> <li>✓ Network centers</li> <li>✓ Hotels</li> </ul>	<ul style="list-style-type: none"> <li>✓ Reduce energy consumption intensity for the entire portfolio by 25% relative to the actual figures for 2018 by the end of 2030 (Indicator (KPI))</li> <li>✓ Energy use intensity (kWh/m<sup>2</sup>)</li> </ul> <p>c. Enhancing of Green Building Certification Acquisition Rate (Goals)</p> <ul style="list-style-type: none"> <li>✓ Of entire portfolio, percentage of properties that will have acquired green building certification: 50% or more by end of 2025 ※</li> <li>✓ Of Tokyo Commercial Properties, percentage of properties that will have acquired green building certification: 60% or more by end of 2025 ※ ※based on number of properties (the properties subject to calculation do not include properties for which ownership is of the land interest only.)</li> </ul> <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> <li>✓ Green Building Certification Acquisition Rate (DBJ Green Building Certification, CASBEE, BELS, JHEP Certification, etc.</li> </ul>	
<p>Circular Economy Practices (Effective Utilization of Water Resources, Waste Reduction)</p>	<ul style="list-style-type: none"> <li>✓ Contribute to the formation of a recycling-oriented society by promoting water-saving measures and the 3Rs of “Reduce, Reuse, Recycle”</li> <li>✓ Reduce water use through water-saving and reuse of grey water and rain water</li> <li>✓ Appropriate waste disposal in compliance with laws, regulations</li> </ul> <p>[Assets with strong relevance]</p> <ul style="list-style-type: none"> <li>✓ Office properties</li> <li>✓ Retail properties</li> </ul>	<p>a. Water use reduction (Goal)</p> <ul style="list-style-type: none"> <li>✓ Reduce water use (Indicator (KPI))</li> <li>✓ Status of overall progress on initiatives aimed at reducing water usage</li> </ul> <p>b. Waste Reduction (Goal)</p> <ul style="list-style-type: none"> <li>✓ Reduce waste (Indicator (KPI))</li> <li>✓ Status of overall progress on initiatives aimed at reducing waste reduction</li> </ul>	 



<p>Enhancement of Customer (Tenant/User) Satisfaction</p>	<ul style="list-style-type: none"> <li>✓ Enhance customer satisfaction and enhance the value of portfolio properties through promotion of initiatives that serve to enhance the well-being, safety and comfort of customers</li> <li>✓ Contribute to local communities through initiatives that contribute to revitalization of the region and community at portfolio properties as a member of the community</li> </ul> <p>[Assets with strong relevance]</p> <ul style="list-style-type: none"> <li>✓ Office properties</li> <li>✓ Retail properties</li> <li>✓ Private nursing homes</li> <li>✓ Network centers</li> <li>✓ Hotels</li> </ul>	<p>(Goal)</p> <ul style="list-style-type: none"> <li>✓ Enhancement of Customer Satisfaction</li> </ul> <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> <li>✓ Status of overall progress on initiatives aimed at enhancement of customer satisfaction</li> </ul>	  
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This agreement has obtained a third-party opinion (\*4) 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 contribute to the enhancement of their corporate value over the medium to long term.

Ends

(\*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.



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(\*3) TCFD

The TCFD, chaired by Michael Bloomberg, was established by the Financial Stability Board (FSB) in response to a call from the G20 to develop a set of recommendations for use by companies on how to disclose climate-related information and respond to financial institutions.

(\*4) For the independent opinion from Japan Credit Rating Agency, Ltd., please visit:

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