

March 31, 2023

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 TAKENAKA CORPORATION)**

Sumitomo Mitsui Trust Bank, Limited (President: Kazuya Oyama; hereinafter “SuMi TRUST Bank”) concluded a “Positive Impact Evaluation” (hereinafter “this evaluation”) and “Positive Impact Finance (with unspecified use of funds)” loan agreement (hereinafter “this agreement”) with TAKENAKA CORPORATION (President: Masato sasaki; hereinafter “Takenaka”) 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 a type of loan agreement intended to support corporations to comprehensively analyze and evaluate the impacts (both positive and negative) of business activities related to the environment, society and economy on an ongoing basis. 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 an evaluation indicator and monitored based on publicly disclosed information, and that we support corporations’ activities to achieve these goals through engagement.

This agreement has obtained a third-party opinion (\*3) from Japan Credit Rating Agency, Ltd. (President: Shokichi Takagi) regarding the 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 solutions 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.

**【About Takenaka】**









Takenaka Corporation’s corporate mission is to “Contribute to society by passing on the best works to future generations”. Through management that persists in stressing quality and challenging creation of new environments, Takenaka promotes Total Quality Management, which earns customer satisfaction and society’s trust, and raises the company’s value to society. Moreover, Takenaka formulated the Takenaka Group CSR Vision to express its commitment to cooperating more closely with stakeholders to resolve social issues and realize a sustainable society, and works to realize this Vision through the promotion of Total Quality Management in accordance with the CSR Action Guidelines presented in its Corporate Code of Conduct.







In addition to the strong need to work toward decarbonization, the construction industry has an important role to play in preparing for natural disasters and improving infrastructure, not only in terms of hardware. Thus, Takenaka has set a goal to become a “comprehensive engineering firm for urban creation,” which enhances the functions of urban areas based on a vision of what society would like to become in the future. Moving forward Takenaka continues to view its entire group’s business domain as “urban areas,” and



provides value related to entire urban life cycles.

**【Overview of Positive Impact Evaluation】**

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

| Theme  | Content   | Goals and Indicators (KPI)  | SDGs  |
|--|---|---|---|
| Sustainable architecture and urban development | <ul style="list-style-type: none"> <li>✓ Foster a culture through architecture, urban development and services which stimulate human sensitivity</li> </ul>   | <p><b><u>a. Achieving “Top of the construction industry in Japan”</u></b><br/>           (Goal)<br/>           ✓ Keep No. 1 position in the general construction industry in terms of cumulative number of major external awards received</p> <p>(Indicators (KPI))<br/>           ✓ Cumulative number of major external awards<br/>               ➢ BCS Prize<br/>               ➢ BELCA Awards<br/>               ➢ AIJ Prize</p> <p><b><u>b. Achieving an “integrated engineering firm for urban creation”</u></b><br/>           (Goal)<br/>           ✓ Increase the cumulative number of social system demonstration tests and other activities to 12 by 2025</p> <p>(Indicators (KPI))<br/>           ✓ Number of social system demonstration tests and other activities</p>   |     |
| Harmonization with the environment             | <ul style="list-style-type: none"> <li>✓ Challenge for life-cycle CO<sub>2</sub>-zero buildings</li> <li>✓ Build architecture and urban development in harmony with nature</li> <li>✓ Build architecture and urban development with resource recycling</li> </ul> | <p><b><u>a. Realization of a decarbonized society</u></b><br/>           (Goals)<br/>           1. Reduce CO<sub>2</sub> emissions from the entire Takenaka group (Scope 1+2) by 46.2% by 2030 and 100% by 2050 (compared to 2019)<br/>           2. Reduce CO<sub>2</sub> emissions from the entire Takenaka group (Scope 3) by 27.5% by 2030 and 100% by 2050 (compared to 2019)</p> <p>(Indicators (KPI))<br/>           1. CO<sub>2</sub> emissions (Scope 1+2)<br/>           2. CO<sub>2</sub> emissions (Scope 3)</p> <p><b><u>b. Consideration for biodiversity</u></b><br/>           (Goal)<br/>           ✓ Implement 12 biodiversity improvement projects per year</p> <p>(Indicator (KPI))<br/>           ✓ Number of biodiversity improvement projects</p> <p><b><u>c. Recycling resources and reducing waste</u></b></p> |       |

|                                    |  |  |  |
|------------------------------------|--|--|--|
|                                    |  | <p>(Goal)</p> <ul style="list-style-type: none"> <li>✓ Improve new construction by-products recycling rate (per volume) to 100% by 2050</li> </ul> <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> <li>✓ New construction by-products recycling rate</li> </ul>  |  |
| Work Style and Productivity Reform | <ul style="list-style-type: none"> <li>✓ Pursue construction processes that are sustainable and highly productive</li> <li>✓ Guarantee appropriate working conditions, including work hours (for employee)</li> <li>✓ Realize healthy and rewarding workplace environments with a diversity of people</li> <li>✓ Securing, developing and retaining human resources</li> </ul> | <p><b><u>a. Guaranteeing appropriate working conditions, including work hours by pursuing construction processes that are sustainable and highly productive</u></b></p> <p>(Goals)</p> <ol style="list-style-type: none"> <li>1. Increase value of completed work management rate by 9% by 2025 compared to 2021</li> <li>2. Increase value of completed work rate by 5% by 2025 compared to 2021</li> <li>3. Increase site closure achievement rate (closed for 8 days every 4 weeks) to 100% by 2024</li> </ol> <p>(Indicators (KPI))</p> <ol style="list-style-type: none"> <li>1. Value of completed work management rate</li> <li>2. Value of completed work rate</li> <li>3. Site closure achievement rate (closed for 8 days every 4 weeks)</li> </ol> <p><b><u>b. Securing, developing and retaining human resources through realizing healthy and rewarding workplace environments with a diversity of people</u></b></p> <p>(Goals)</p> <ol style="list-style-type: none"> <li>1. Achieve 100% childcare leave acquisition rate for males every year</li> <li>2. Achieve 8% or more women in managerial positions in 2025</li> </ol> <p>(Indicators (KPI))</p> <ol style="list-style-type: none"> <li>1. Childcare leave acquisition rate for males</li> <li>2. Percentage of women in managerial positions</li> </ol> |     |
| Steady production processes        | <ul style="list-style-type: none"> <li>✓ Provide high quality and safe construction</li> <li>✓ Realize work sites without accidents and public disasters</li> <li>✓ Realize sustainable supply chains</li> </ul>   | <p><b><u>a. Providing high quality and safe construction</u></b></p> <p>(Goals)</p> <ol style="list-style-type: none"> <li>1. Achieve zero serious quality problems (each year)</li> <li>2. Achieve 100% of "somewhat satisfied" or higher responses in the client satisfaction survey (at the time of completion and two years after completion) to the owner (each year)</li> </ol> <p>(Indicators (KPI))</p> <ol style="list-style-type: none"> <li>1. Number of serious quality problems</li> <li>2. The percentage of "somewhat satisfied" or higher responses in the client satisfaction survey (at the time of completion and two years after completion) to the owner</li> </ol>   |    |

|                         |                        |  |  |
|-------------------------|------------------------|--|--|
|                         |                        | <p><b><u>b. Realizing work sites without accidents and public disasters</u></b><br/> (Goal)<br/> ✓ Achieve zero significant workplace accidents and public disasters (each year)<br/> (Indicator (KPI))<br/> ✓ Number of significant workplace accidents and public disasters</p> <p><b><u>c. Realizing sustainable supply chains</u></b><br/> (Goal)<br/> ✓ Achieve 100% compliance rate for major clients to the Business Partners Action Guidelines (each year)<br/> (Indicator (KPI))<br/> ✓ Business Partners Action Guidelines compliance rate for major clients</p> |  |
| Respecting human rights | ✓ Respect human rights | (Goal)<br>✓ Get experts' verification once a year and improve efforts based on the findings of the verification<br>(Indicator (KPI))<br>✓ Status of continuous human rights due diligence  |   |

(\*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 the positive impact and reduce the 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 a 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) Third-party opinion on compliance with Principles of Positive Impact Financial and rationality of used metrics

For the independent opinion from Japan Credit Rating Agency, Ltd., please visit:

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