

September 28, 2020

To whom it may concern

Sumitomo Mitsui Trust Holdings, Inc.

Notice regarding the Conclusion of a Positive Impact Finance (with unspecified use of funds)
Loan Agreement (with Rengo Co., Ltd.)

Please be informed that Sumitomo Mitsui Trust Bank, Limited, a subsidiary of Sumitomo Mitsui Trust Holdings, Inc. today announced the attached press release.

For further information, please contact:

IR Department, Sumitomo Mitsui Trust Holdings, Inc.

Telephone : +81-3-3286-8354

September 28, 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 Rengo Co., Ltd.)

Sumitomo Mitsui Trust Bank, Limited (President: Masaru Hashimoto; hereinafter “SuMi TRUST Bank”) and Rengo Co., Ltd. (Representative Director, President & COO Yosuke Kawamoto; hereafter “Rengo”) concluded a Positive Impact Finance (with unspecified use of funds) loan agreement in line with the Principles for Positive Impact Finance (*1) released by the United Nations Environmental Programme Finance Initiative (hereafter “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.












【Overview of this Agreement (Syndicated Loan)】

Date of Agreement	September 28, 2020
Arranger/Agent	SuMi TRUST Bank
Lender	The Awa Bank, Ltd., The Iyo Bank, Ltd., Oita Bank Co., Ltd., The Kagoshima Bank, Ltd., The Kiyo Bank, Ltd., The Bank of Kyoto Ltd., The Gunma Bank, Ltd., Shizuoka Bank, Ltd., The 77 Bank, Ltd., The Joyo Bank, Ltd., The Chiba Bank, Ltd., The Nanto Bank, Ltd., The Hachijuni Bank, Ltd., The Fukui Bank, Ltd., The Mie Bank, Ltd., and SuMi TRUST Bank

The Rengo Group is working on development of packaging that generates greater value with less resources, setting “Less is more.” as the key concept. Rengo innovates packaging requirements in a wide array of industries such as: paperboard, corrugated packaging, folding cartons, flexible packaging and heavy duty packaging. Rengo is contributing to the realization of sustainable society.

In concluding this agreement, SuMi TRUST Bank agreed to Rengo Group’s initiatives below and assessed them both qualitatively and quantitatively as initiatives that particularly have impact on achieving SDGs.

- Rengo has been holding up “Less is more.”, which consists of three frameworks: “Less energy consumption”, “Less carbon emissions”, “High quality products with more value-added”. They have been proactively promoting sustainable activities and advancing business activities aimed at achieving SDGs. (*3)

Theme	Content	Goal and indicator (KPI)	SDGs
Resource and energy saving	<ul style="list-style-type: none"> Effective use of resources Reducing waste Creation of recycling oriented society 	<ol style="list-style-type: none"> Keeping recovered paper utilization ratio 97% or more Keeping material recycling rate 98% or more 	 
Global warming countermeasures	<ul style="list-style-type: none"> CO₂ reduction Increase the use of renewable energy 	<ol style="list-style-type: none"> CO₂ reduction by FY2030 of 26% compared to FY2013 Increase renewable energy rate to 25% by FY2030 	  
Development of next-generation technology and products	Development of environmentally friendly products	<ol style="list-style-type: none"> Advancing the production of lightweight corrugated board: Reduction of average basis weight of corrugated board by end FY2020 of 11.5% compared to FY2004 (The target value for FY2021 and later will be determined later) Development and offering of biodegradable materials: Annual production of biodegradable cellulose beads used as alternatives to plastics by FY2030 	     

This agreement has obtained a third-party opinion (*4) from the 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 solutions 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 Rengo’s website, please visit:

<https://www.rengo.co.jp/english/index.html>

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

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