

GREEN PRODUCT FRAMEWORK



Version 2.0

SUMITOMO MITSUI TRUST BANK, LIMITED

June 2022



This Framework was developed by Smitomo Mitsui Trust Bank, Limited with the support of Sustainalytics.

INTRODUCTION

About Sumitomo Mitsui Trust Bank, Limited and the Bank's Approach to Sustainability

Sumitomo Mitsui Trust Bank, Limited ("SuMi TRUST") is a leading Japanese trust bank and is among the largest financial groups in Japan. The Group has been designated as one of the "domestic systemically important banks (D-SIBs)". SuMi TRUST provides a broad range of financial services both in domestic as well as in overseas.

SuMi TRUST, as one of leading financial institutions, is committed to the active role it plays in contributing to building a sustainable society, and recognizes the importance of embedding the principles of social responsibility within all Group activities. Through its strategic sustainability initiatives and policies based on its mission, vision and values, SuMi TRUST strives to create shared value by proactively helping address societal problems in conjunction with pursuing the Group's own enterprise value.

SuMi TRUST's approach to sustainability includes:

i) Committing to proactive sustainability management

SuMi TRUST strives to identify and manage material sustainability issues as top priority of the Group's management, since the Group regards ESG (environmental, social and governance) as a critical foundation for management.

ii) Integrating sustainability initiatives into its business

By leveraging its function as a financial group specialized in trust banking, SuMi TRUST aims to provide comprehensive ESG solutions to SuMi TRUST clients, helping to promote the development of a sustainable society. SuMi TRUST utilizes the United Nations Sustainable Development Goals (SDGs) to verify the appropriateness and societal value of the products and services provided.

iii) Providing values to the community

SuMi TRUST believes that providing value to society helps maintain a sound business foundation, and that this is a social responsibility required to conduct business. From this point of view, SuMi TRUST provides value to the community in various forms, taking into consideration the United Nation's SDGs.

In March 2019, as one of our commitment to sustainability, SuMi TRUST developed the world's first Positive Impact Finance (PIF with unspecified use of funds) solution, which adapts the Principles for Positive Impact Finance of the United Nations Environment Programme Finance Initiative (UNEP FI) for lending to operating companies. PIF is a product that comprehensively analyzes and evaluates the impact of a company's supply chain on the environment, society, and the economy, sets specific KPIs for increasing positive impact and reducing negative impact, and asks clients to commit to these KPIs, which are then incorporated into the loan agreement. Then, through subsequent monitoring and

disclosure of results, we encourage our clients to contribute to achieving SDGs and support their efforts to improve competitiveness (including for their businesses, products, and services) from a global perspective.

Intent of the Framework

SuMi TRUST released Green Deposits to facilitate lending towards environmental projects based on Green Product Framework (“the Framework”). All existing and new projects to be financed through Green Deposits proceeds must meet eligible categories and activities, as well as exclusions defined under the Green Eligible Guide section below and provide clear environmental benefits, which will be assessed and, where feasible, quantified by SuMi TRUST.

Pending the allocation of the net proceeds of a Green Deposit to finance Eligible Green Projects, the net proceeds will be invested in overnight or other short-term financial instruments. The unallocated proceeds is subject to the exclusion criteria listed below.

Internal and External Review Process



The Framework version 1.0 was developed by SuMi TRUST with the support of Sustainalytics, a Morningstar Company, a leading provider of ESG research and ratings for investors, financial institutions and corporate clients. As the market and regulations evolve, SuMi TRUST will update the Framework and the underlying Green Eligibility Guide with support from Sustainalytics annually. Sustainalytics also provided a review of this version 2.0 of the Framework.

GREEN ELIGIBILITY GUIDE

SuMi TRUST shall apply the use of proceeds to finance and/or refinance, in whole or in part, existing and future qualifying environmental projects (“Eligible Green Projects”) as defined by its internal investment criteria as specified below.

For the purpose of this section, “Eligible Green Projects” means projects meet all of the conditions i) and ii) below.

i) A project falls in one or more of the project categories (a) to (e) below

Category	SDG Alignment	Eligible Activities	Exclusions
(a) Renewable Energy		Acquisition, development, construction and operation of infrastructure, facilities, and equipment that generate or transmit renewable energy, including: <ul style="list-style-type: none"> Solar energy 	Geothermal energy <ul style="list-style-type: none"> Direct emissions of greater than or equal to 100gCO2/kWh Biomass energy <ul style="list-style-type: none"> Palm-oil,

		<ul style="list-style-type: none"> • Solar thermal energy • Wind energy • Geothermal energy • Biomass energy (restricted to sustainable feedstock not competing with food production and/or waste materials, and restricted to the electricity generation projects that have direct emissions of less than 100gCO2/kWh) • Run of river hydropower without artificial reservoir or with low storage capacity 	<ul style="list-style-type: none"> • Wood pulp • Peat, non-certified feedstock, and unknown sourcing from sustainable feedstock (non-waste) • Energy relying on feedstock (non-waste) that contribute to deforestation, biodiversity loss or decrease in soil carbon pools • Plastics, rubber, tire-derived fuel to energy, or fuel conversion from waste materials <p>Hydropower</p> <ul style="list-style-type: none"> • Projects which have not undertaken an environmental and social impact assessment that ensures no significant controversy surrounding the project
(b) Energy Efficiency	 	<p>Manufacturing, development and operation of infrastructure, equipment, technology and processes in the power transmission network, distribution and related systems to improve energy management, related to:</p> <ul style="list-style-type: none"> • smart grids, • energy storage, • automation and • intelligence 	<p>Energy-efficient technologies / processes that are inherently carbon-intensive and/or primarily driven / powered by fossil fuels</p>
(C) Clean Transportation		<p>Clean energy vehicle</p> <ul style="list-style-type: none"> • Development, manufacturing and acquisition of clean energy vehicles and supporting infrastructure such as electric vehicles and hydrogen vehicles <p>low-carbon public transportation</p> <ul style="list-style-type: none"> • Development, operation and upgrade of low-carbon public transportation 	<p>Fossil fuel based transportation or infrastructure and transportation with the main objective of transporting fossil fuel, including hybrid vehicle</p>

		facilities including electric rail transport, cycling and other non-motorised transport	
(d) Pollution Prevention and Control	 	<p>Development, construction and operation of pollution prevention and control facilities, such as:</p> <ul style="list-style-type: none"> • Waste recycling, • Waste-to-energy power plants, where i) the waste-to-energy feedstock will include household waste, commercial waste, and landfill gas, and ii) materials recovery and recycling will be done prior to incineration 	<p>Waste recycling</p> <ul style="list-style-type: none"> • Chemical recycling of plastic <p>Waste-to-energy power plants</p> <ul style="list-style-type: none"> • Plastics, rubber, tire-derived fuels (TDF), gas capture from operational landfills, and landfill gas flaring
(e) Green Buildings¹	 	<p>Acquisition, development and construction of new, existing or refurbished buildings which have received or will receive during the life of the Green Product at least one of the following green building classifications:</p> <ul style="list-style-type: none"> • LEED (Leadership in Energy and Environmental Design): Platinum or Gold • BREEAM (Building Research Establishment Environmental Assessment Methodology): Outstanding or Excellent • CASBEE (Comprehensive Assessment System for Built Environment Efficiency): S Rank or A Rank • DBJ (Development Bank of Japan) Green Building Certification: 5 Star or 4 Star 	

¹ Eligible green buildings may include those owned by J-REIT (Japanese Real Estate Investment Trusts), and in such case, the allocation amounts to eligible green buildings owned by J-REITs may be calculated based on pro-rata share of eligible green buildings' acquisition cost. The net proceeds allocated to J-REITs project will be no greater than the amount lent to J-REITs or investment exposure to eligible projects/assets.

		<ul style="list-style-type: none"> BELS (Building-Housing Energy-efficiency Labelling System): 5 Star or 4 Star 	
--	--	--	--

- ii) For any project categorized as (a) to (d) above, the project must be further categorized as Category B or Category C under the Equator Principles as published by the Equator Principles Association²

In addition to exclusionary criteria defined under the table and the identification process described above, SuMi TRUST's screening criteria is to exclude:

- Non-committed transactions
- Assets pledged to other financing programme
- The following sectors and activity types are excluded from the Green Deposit Framework: defence and security, palm oil, wood pulp, waste from peat, non-certified feedstock, peat and unknown sources in non-waste biomass energy projects, nuclear power generation, coal-fired power generation, mining and tobacco sectors as well as all fossil fuel based assets, fossil fuel based transportation or infrastructure, and transportation with the main objective of transporting fossil fuel.

² According to the Equator Principles, Category A projects are defined as projects with potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible or unprecedented. Category B projects have potential limited adverse environmental and social risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures. Category C projects have minimal or no adverse environmental and social risks and/or impacts. Net proceeds of Green Deposit can be allocated to existing and new Category B or C projects which will fall into one or more of the categories (a) to (d) above.

Initiatives SuMi TRUST (including group company) participate or sign

Major initiatives Sumitomo Mitsui Trust Holdings is a signatory to or participates in:



About the Principles for Responsible Banking

We became a founding signatory to the Principles for Responsible Banking (PRB) advocated for by the United Nations Environment Programme Finance Initiative (UNEPFI) and launched in September 2019. By focusing on the areas in which our core business has significant impact, setting goals for specific initiatives, and taking action, we hope to make the greatest contributions towards achieving the targets of the SDGs on both a global and local level. Having signed on to the PRB, we are obligated to disclose information about our initiatives every year. We disclose this information in our ESG Report.

Major initiatives Sumitomo Mitsui Trust Bank is a signatory to or participate in (excluding the initiatives SuMi Trust Holdings is a signatory to)



DISCLAIMER

The Framework is provided for information purposes only as of the date of its publication. The information and statements contained in the Framework, including any supplements or amendments thereto, are subject to change without prior notice.

The Framework shall not constitute an underwriting commitment, an offer of financing, an offer to sell, or the solicitation of an offer to buy any financial instrument that may reference the Framework.

In case of discrepancies between the English language and translated versions, the English language version shall prevail.