

February 26, 2021

To whom it may concern

Sumitomo Mitsui Trust Holdings, Inc.

**Conducting the Impact Assessment and Monitoring on the First Real Asset Impact
Investment Fund in Japan**

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:

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To whom it may concern

Sumitomo Mitsui Trust Bank, Limited

Conducting the Impact Assessment and Monitoring on the First Real Asset Impact Investment

Fund in Japan

Sumitomo Mitsui Trust Bank, Limited (President: Masaru Hashimoto; hereinafter "SuMi TRUST Bank") is conducting the assessment and the monitoring on the impact of the first impact investment fund (*1) in Japan (Anchor No. 5 Ship Investment Fund; hereinafter "the Fund") established by Anchor Ship Partners Co., Ltd. (President: Tetsuro Shinoda; hereinafter "ASP"), which invests approximately 600 billion yen in the real assets.

In line with the global trend toward decarbonization and the demands from major domestic shipping operators following such trend, the Fund will invest mainly in cutting-edge LNG carriers and measure the impacts on the environment, society, and economy to be brought by those investments. In addition, through their appropriate management, the Fund will contribute to increasing the positive impacts and mitigating the negative impacts. In particular, they aim to contribute to the achievement of carbon neutrality in the shipping industry by reducing greenhouse gas emissions.

SuMi TRUST Bank has been leading the positive impact finance market, including the world's first loan execution to the company that do not specify the use of funds in accordance with the United Nations Environmental Programme Finance Initiative (hereinafter "UNEP FI") (*2) Principles for Positive Impact Finance (hereinafter "PIF Principles") (*3). In organizing the Fund, SuMi TRUST Bank analyzed the ESG management system of the ASP and the investment policy of the Fund, and evaluated that the ASP and the Fund's business activities are capable of continuously managing the impact on the environment, society, and economy, and satisfied the requirements of the PIF Principles. During the life of the fund, SuMi TRUST Bank will continuously monitor, evaluate and make feedbacks of the impact developed by the vessels which will be invested by the Fund.

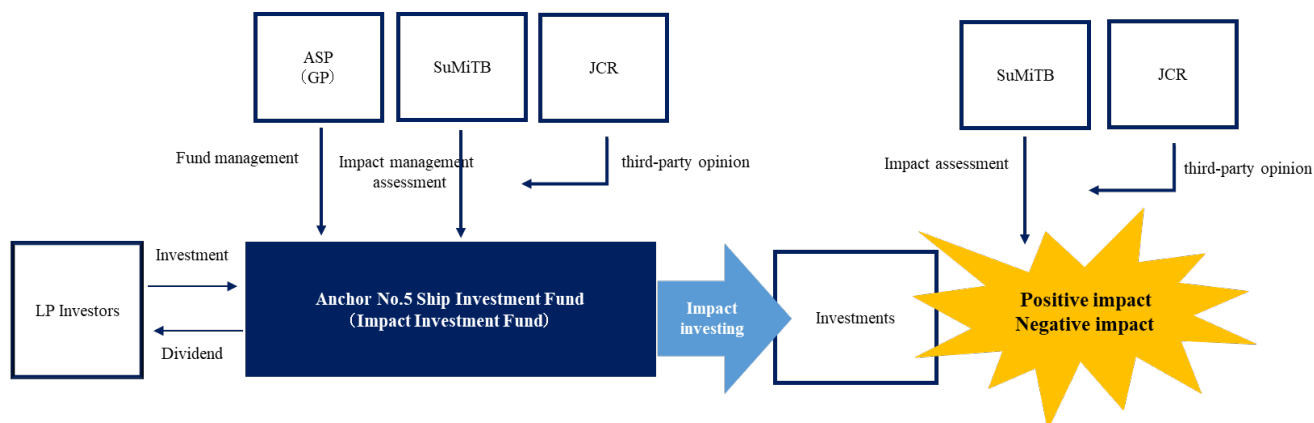
We plan to obtain a third-party opinion from the Japan Credit Rating Agency, Ltd. (President: Shokichi Takagi) on the compliance of assessment procedures with the PIF principles and the rationality of the assessment indices.

Characteristics of the Impact Assessment

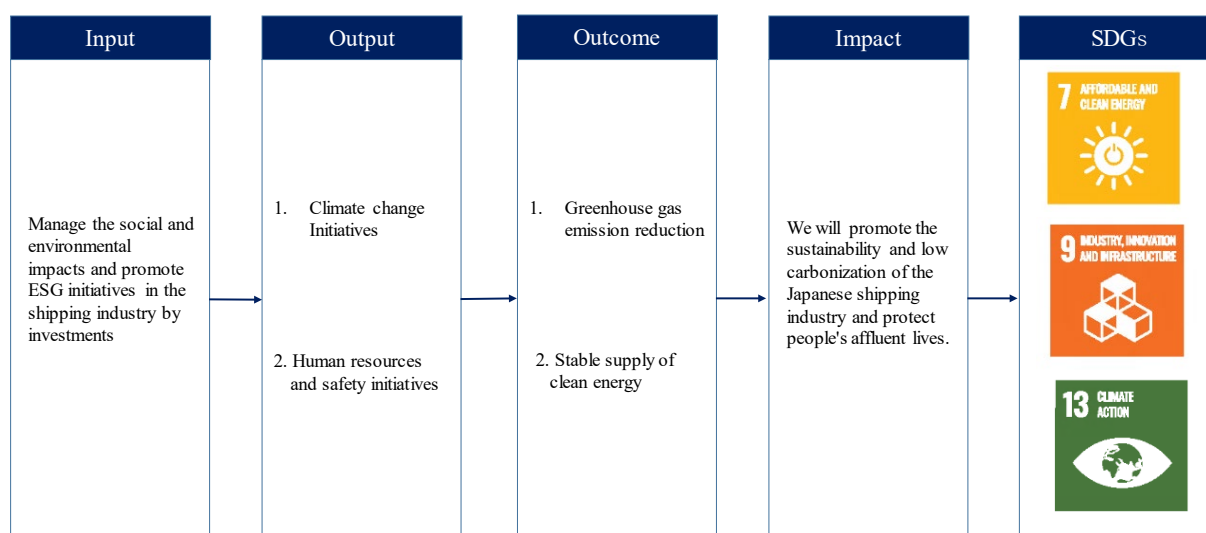
1. This will be the first implementation to conduct the impact assessment for funds as business, although we have been promoting financing that incorporates impact assessments to the operating companies.
2. This impact assessment is in accordance with the PIF principles of UNEP FI. This is the first application of the PIF principle to a fund investing in real assets in Japan. In addition, we are preparing to comply with the Operating Principles for Impact Management (*5) of International Finance Corporation (hereinafter "IFC") (*4).
3. We will support the Fund to promote the action to carbon neutrality in the shipping industry by conducting assessments and monitoring against global standards such as the International Maritime Organization's decarbonization strategy.

The monitoring structure including the impact assessment of the Fund is as follows.

【Monitoring Structure of the Fund】



【Theory of Change (ToC)】



We will continue to provide sustainability-related solutions, including impact assessments, to support our clients' business activities that contribute to the achievement of the SDGs' goals and to contribute to the improvement of their corporate value over the medium to long term.

(*1) Impact investment

Impact investing can be defined as “investments made into companies or organizations with the intent to contribute to measurable positive social or environmental impact, alongside financial returns.”

(*2) 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) The Principles for Positive Impact Finance (PIF Principles)

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.

(*4) IFC

The International Finance Corporation (IFC) is an international financial institution that offers investment, advisory, and asset-management services to encourage private-sector development in less developed countries. The IFC is a member of the World Bank Group and is headquartered in Washington, D.C. in the United States.

(*5) Impact Investment Management Principles

The Impact Principles, launched in April 2019, provide a framework for investors to ensure that impact considerations are purposefully integrated throughout the investment life cycle. These 9 principles bring greater discipline and transparency to the impact investing market, requiring annual disclosure statements and independent verification of Signatories' impact management systems and processes.

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