

March 31, 2020

To whom it may concern

Sumitomo Mitsui Trust Holdings, Inc.

**Notice regarding the Reviewing of Our Policies and an Outline of Our Views on
Environmental/Social Considerations for Loans**

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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Sumitomo Mitsui Trust Bank, Limited

**Notice regarding the Reviewing of Our Policies and an Outline of Our Views on
Environmental/Social Considerations for Loans**

Sumitomo Mitsui Trust Bank, Limited (President: Masaru Hashimoto; hereinafter “SuMi TRUST Bank”) aims to play a proactive role in building a sustainable society by contributing to solving social and environmental issues. We have done this through our businesses based on Sumitomo Mitsui Trust Holdings, Inc.’s (Director, President: Tetsuo Ohkubo; hereinafter “SuMi TRUST Holdings”) “Basic Policy on the Social Responsibility of Sumitomo Mitsui Trust Group” (“Sustainability Policy”).

SuMi TRUST Bank has already set out policies for specific sectors promoting businesses with significant impact on the society such as cluster munitions manufacturers to prohibit or refrain from lending to and investing in companies or projects that have negative impact. Further, we have announced a policy, in principle, not to engage in new projects for the construction of coal-fired power plants.

In addition, SuMi TRUST Bank has recently established a sector policy, accounting for international/local certifications for sectors that raise concerns of negative impact on climate change and biodiversity through illegal destruction of tropical rainforests and the development of peat land that are related to palm oil production and raw material procurement from forests. Below described is an outline of our view on sector policies, and we will make every effort to promote engagement with our counterparts to materialize these sector policies.

1. Engagement policies as a responsible trust bank group

- SuMi TRUST Holdings has established the “Environmental Policy” to reduce the environmental burden arising from its business activities. Furthermore, it has established the “Action Guidelines for Mitigating Climate Change “ and the “Action Guidelines for Preserving Biodiversity” to address the particularly important environmental issues, and has been making efforts to engage in dialogue and cooperation with various stakeholders.
- In terms of social issues, with the aim of respecting each individual’s human rights and diverse values and rejecting unjustifiable acts of discrimination, it has established the “Human Rights Policy” and gathers information regarding how the investment and financing targets negatively impact human rights. In addition, the Policy provides that it takes necessary countermeasures in cases where legal norms, etc. are violated.

2. Prohibited transactions

- Transactions that are considered immoral
- Transactions that involve anti-social forces
- Transactions where the use of funds is speculative

- Transactions that involve cluster munitions manufacturers as well as credit transactions with companies that have material involvement in the manufacturing process through lending and other activities with cluster munitions manufacturers.

3. Transactions requiring extra attention

a) Coal-fired power generation

SuMi TRUST Bank, in principle, does not engage in new projects for the construction of coal-fired power plants. However, in cases where exemptions are considered, lending decisions will be made carefully, with a comprehensive consideration of backgrounds and characteristics undertaken on a case-by-case basis, under strict standards that address the environmental impact, such as the OECD Guidelines and the energy efficiency of the specific projects.

b) Weapons manufacturing

SuMi TRUST Bank will avoid lending and other activities where funds will be used for manufacturing weapons of mass destruction such as nuclear weapons, chemical weapons, biological weapons, or for manufacturing inhumane weapons such as antipersonnel landmines.

c) Forests

The rapidly developing global deforestation is creating various problems such as reduction in biodiversity, decline in the stability of ecosystems, lower watershed protection, lower fixation of carbon dioxide and other items. SuMi TRUST Bank will engage with timber manufacturers and manufacturers using raw materials from these industries only after careful consideration such as checking their international forest certification status (※1) as well as fully taking into account whether or not there are existing problems with original inhabitants and local communities.

※1 FMC (Forest Management Certification) issued by FSC (the Forest Stewardship Council) for forestry management and forestry business operations; CoC (Chain of Custody Certification) for processing and distribution management of certified forest products, and others.

d) Palm oil

Palm oil is derived from “oil palms” grown on plantations. While palm oil demand is rapidly growing owing to its convenience and rising preference for wholesome foods, environmentally destructive developments are the main causes for the devastation of tropical rainforests and the decline in biodiversity. SuMi TRUST Bank will engage with producers of palm oil and manufacturers using palm oil as a raw material only after careful consideration such as checking their international/local sustainable palm oil certification status (※2) as well as fully taking into account whether or not there are existing problems with original inhabitants and local communities.

※2 RSPO (Roundtable on Sustainable Palm Oil) and others that aim to observe NDPE (No-deforestation, No-peat and No-exploitation) and the preservation of HCS (High Carbon Stock) forests

4. Review of sector policies

SuMi TRUST Bank regularly reviews the suitability of established sector policies and the status of how transactions are being addressed at Sustainability Promotion Committee in our Executive Committee, etc., to reconsider the policies as well as make improvements to our operations as necessary.

5. Education and training

As a member of a responsible trust bank group, to ensure that SuMi TRUST Bank's directors and employees deepen their understanding of ways to reduce environmental impact, policies for human rights, and sector policies, we continually conduct educational training. We also spare no effort to ensure that directors and employees comply with all relevant regulations and procedures.

6. Communication with stakeholders

SuMi TRUST Bank continues to engage in dialogues/collaborations with various stakeholders on themes that are relevant to the sector policies that we have established. We trust that dialogues and collaborations with these stakeholders will prove useful when we consider reviews to improve our sector policies to stay in line with the changing social environment and to continue improving their effectiveness.

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