

August 31, 2021

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 Kawasaki Heavy Industries, Ltd.)

Sumitomo Mitsui Trust Bank, Limited (President: Kazuya Oyama; hereinafter “SuMi TRUST Bank”) and Kawasaki Heavy Industries, Ltd. (Representative Director, President and Chief Executive Officer: Yasuhiko Hashimoto; hereafter “Kawasaki Heavy Industries”) concluded a “Positive Impact Finance (with unspecified use of funds)” loan agreement (hereinafter “this agreement”) that is in line with the Principles for Positive Impact Finance (*1) released by the United Nations Environmental Programme Finance Initiative (hereinafter “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 Sustainable Development Goals (SDGs) is used as evaluation indicators and monitored based on publicly disclosed information.

Kawasaki Heavy Industries has identified material issues on a company-wide basis to realize its mid to long term plans including “Kawasaki Global Environmental Vision 2050” and “Group Vision 2030,” based on their Group Mission “Kawasaki, working as one for the good of the planet.” Kawasaki Heavy Industries has reexamined and categorized the impacts that its corporate activities have on society and is actively pursuing how the company can help solve various social and environmental issues through innovation, thus creating new values.

In concluding this agreement, SuMi TRUST Bank assessed the following initiatives of Kawasaki Heavy Industries both qualitatively and quantitatively as initiatives that particularly have impacts on achieving SDGs.

Theme	Content	Goals and Indicators (KPI)	SDGs
Realization of a Safe and Secure Remotely Connected Society	Realization of the social participation of all people without being restricted by time and place, through providing a remote working environment and proposing new ways of working and living	a. Industrial robots (Goals) ✓ Contribution to the alleviation of labor shortages in Japan (Indicators (KPI)) ✓ Number of active users of remote robot Platforms b. Robotic assisted surgery systems (Goals) ✓ Increase in sales of robotic assisted surgery systems (Indicators (KPI)) ✓ Sales of robotic assisted surgery systems c. Automated PCR testing system	   



		(Goals) ✓ Establishment of PCR Testing Systems (Indicators (KPI)) ✓ Number of PCR tests	
Realization of a Society with "Near-Future" Mobility	Development of a new mobility system that contributes to the realization of a "super city" as an advanced city	a. VTOL drones (Goals) ✓ Increase in sales of unmanned VTOL drones (Indicators (KPI)) ✓ Sales of unmanned VTOL b. Delivery robots (Goals) ✓ Increase in sales of delivery robots (Indicators (KPI)) ✓ Sales of delivery robots	  
Realization of a Decarbonized Society via Energy and Environmental Solutions	✓ Large-scale stable supply and large-scale use of clean energy "Hydrogen" ✓ Realization of low-carbon society	a. Transportation amount of hydrogen (Goals) ✓ Transportation 225,000 tons per year of hydrogen by Kawasaki hydrogen supply chain by 2030 (Indicators (KPI)) ✓ Transportation amount of hydrogen by Kawasaki hydrogen supply chain b. Amount of CO2 Reduction utilizing hydrogen energy generated by Kawasaki hydrogen supply chain (Theoretical value) (Goals) ✓ 1.6 million tons of CO2 reduction utilizing hydrogen energy generated by Kawasaki hydrogen supply chain by 2030 (Indicators (KPI)) ✓ Amount of CO2 reduction utilizing hydrogen energy generated by Kawasaki hydrogen supply chain c. Reduction of CO2 emissions (Goals) ✓ Zero CO2 emissions in business activities of the Kawasaki Group in 2050 (Scope 1 and 2) (Indicators (KPI)) ✓ CO2 emissions in business activities of the Kawasaki Group (Scope 1 and 2)	   
Waste FREE	✓ Reduction of total waste generation ✓ Circular-	(Goals) ✓ Ratio of waste disposed of in landfills to total waste generated is 1% or less (Indicators (KPI))	



PIF × SuMi Trust

	oriented society	✓ Ratio of waste disposed of in landfills to total waste generated	
Harm FREE	Management of harmful chemical substances	(Goals) ✓ Reduction of harmful chemical substances (Indicators (KPI)) ✓ Total amount of harmful chemical substances generated	

This agreement has obtained a third-party opinion (*3) from 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 the independent opinion from Japan Credit Rating Agency, Ltd., please visit:

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