

Subaru Concludes Positive Impact Finance Loan Agreement

Tokyo, March 26, 2020 – Subaru Corporation has concluded a Positive Impact Finance (with unspecified use of funds) loan agreement with Sumitomo Mitsui Trust Bank, Limited*¹.

The agreement is in alignment with the Principles for Positive Impact Finance*² established by the United Nations Environmental Programme Finance Initiative (UNEP FI)*³.






The Principles for Positive Impact Finance is a financial framework established by UNEP FI in January 2017 with a view to achieving the UN Sustainable Development Goals (SDGs), and the Positive Impact Finance executed in accordance with this framework involves comprehensive analysis and evaluation of the environmental, social, and economic impacts (positive and negative) of corporate activities and the provision of loans to support these activities on an ongoing basis. The key feature of this finance is that the degree of contribution to the SDGs through such corporate activities is used to set KPIs and information on that contribution progress is publicly disclosed by companies being financed.



Subaru is the first automobile manufacturer to receive a Positive Impact Finance loan.*⁴

Agreement Overview

Contract Date	March 26, 2020
Arranger/Agent	Sumitomo Mitsui Trust Bank
Amount	JPY 10 billion
Use of funds	Working capital
Lenders (in alphabetical order)	The Chukyo Bank, Ltd; The Dai-ichi Life Insurance Company, Limited; Japan Post Bank Co., Ltd.; Sumitomo Life Insurance Company; Sumitomo Mitsui Trust Bank, Limited; The Yamanashi Chuo Bank, Ltd.

Subaru Activities Evaluated as Having an Impact on Achieving SDGs

Theme	Content	KPIs (indicators and targets)	SDGs
Contribution to a decarbonized society	<ul style="list-style-type: none"> Make efforts to reduce CO₂ emissions based on the Environmental Action Plan Improve fuel efficiency, equip vehicles with electrification technologies, and switch to EVs and hybrids 	<ul style="list-style-type: none"> Reduction of CO₂ emissions resulting from Subaru activities by 30% in fiscal 2030 (vs. fiscal 2016*) More than 40% of vehicles sold worldwide to be EVs or hybrids by 2030 	  
Enjoyment and peace of mind in driving	<ul style="list-style-type: none"> Develop advanced technologies for vehicle safety 	<ul style="list-style-type: none"> Achieve zero fatal accidents in 2030 (eliminate fatal accidents among Subaru drivers and passengers or pedestrians and cyclists struck by Subaru vehicles) 	 

<p>Diversity</p>	<ul style="list-style-type: none"> • Create a workplace environment that accepts and respects employee diversity, including women, older employees, people with disabilities, and people of other nationalities 	<ul style="list-style-type: none"> • Aim for more than 12-fold increase (vs. fiscal 2014**) in the number of women in management posts toward 2025 	 
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* Fiscal 2016: Fiscal year ended March 2017

** Fiscal 2014: Fiscal year ended March 2015

In signing the agreement, a third-party opinion has been obtained from the Japan Credit Rating Agency, Ltd regarding the compliance with the Principles for Positive Impact Finance and the rationality of the evaluation indicators. ^{*5}

Subaru will continue contributing to achievement of the SDGs and the creation of a sustainable society.

*1. President: Masaru Hashimoto; Headquarters: Chiyoda-ku, Tokyo

*2. The Principles for Positive Impact Finance is a framework for finance established by UNEP FI in January 2017 with a view to achieving the UN Sustainable Development Goals (SDGs). Companies disclose key performance indicators (KPIs) for contributions to achieving SDGs, and banks provide finance after assessing the positive impact of such contributions. This framework guides efforts to increase positive impact and reduce negative impact from the activities of companies being financed. As responsible financial institutions, banks providing finance monitor indicators to ensure that positive impacts are continuing.

*3. 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.

*4. Based on research by Sumitomo Mitsui Trust Bank, Limited

*5. For the independent opinion from Japan Credit Rating Agency, Ltd., please visit: <https://www.jcr.co.jp/en/>

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