

SHINSEI SUSTAINABLE  
IMPACT ASSESSMENT



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## “Sustainable Impact” Green Loans to a Limited Liability Company Formed by Vena Energy

Tokyo (Wednesday, January 12, 2022) --- Shinsei Bank, Limited (hereinafter, “Shinsei Bank”) promotes "Sustainable Impact Initiatives" by integrating the perspectives of ESG, SDGs as well as Sustainability into our business with the concept of social impact which aims to have a positive impact on society, adding the environmental, social and the economic value. We provide financing to companies and their businesses addressing social issues with positive impacts through continuous dialogue with those corporate customers.

On December 29, 2021, Shinsei Bank executed a non-recourse loan as a “Shinsei Green Loan” to a limited liability company formed by Nippon Wind Energy K.K, a subsidiary of Vena Energy Holdings Ltd (Headquartered in Minato-ku, Tokyo; Executive Officer; Nitin Apte; these Vena Energy Group, collectively hereinafter "Vena Energy") for the construction of an onshore wind power plant.

"Shinsei Green Loan" is a loan which designates use of funds for businesses or projects that can provide clear environmental benefits. Shinsei Green Loan must align with the "Shinsei Green Finance Framework" <sup>\*\*1</sup> formulated in May 2020.

Borrower	A limited liability company formed by Vena Energy
Use of funds	Funds for construction of Nakasato Wind Project (Nakadomari, Kitatsugaru District, Aomori Prefecture)
Significance of this project	<p>Expansion of renewable energy introduction</p> <ul style="list-style-type: none"> <li>➤ Onshore wind power generation facilities (installed capacity: 46.8MW, grid entry capacity: 36.0MW)</li> <li>➤ The project is expected to reduce approximately 50,112 tons*2 of CO<sub>2</sub> emissions (average of 20 years) every year over the next 20 years.</li> </ul>
Contribution to social issues of the project through its environmental benefit	The project can contribute to the UN Sustainable Development Goals (SDGs), especially to "Goal 7: AFFORDABLE AND CLEAN ENERGY". The Japanese Government has set "Decarbonized Society" as the final achievement and positioned promoting renewable energy as one of national priority areas. Aomori Prefecture includes the promotion of the introduction of renewable energy as projects to be implemented under “Aomori Prefecture Global Warming Countermeasures Promotion Plan”, and Nakadomari stated to utilize wind as an energy source in "Basic Plan for Rural Area Invigoration through Sound Growth of Agriculture, Forestry and Fisheries and Harmonious Promotion of Renewable Energy Electricity Generation in Nakadomari ". Hence, we evaluated this project to be aligned with social issues and the policies of the national and regional governments.
Other positive points of the Loan	<ul style="list-style-type: none"> <li>✓ Vena Energy upholds a corporate mission to accelerate the energy transition across the Asia Pacific region, and has developed and operated renewable energy projects. This project is aligned with its corporate goals.</li> <li>✓ This project has developed with due consideration of environmental and social responsibilities by conducting an environmental assessment in accordance</li> </ul>

	<p>with Environmental Impact Assessment Act and assigning a third-parity professionals for HSE (Health, Safety, and Environment) monitoring during construction. Additionally, this project has created local employment by actively outsourcing works to local enterprises and has implemented donations to Nakadomari in the amount calculated based on the actual utilization rate in accordance with "Agreement on Donations for Community Revitalization". This project contributes to the local community.</p> <p>✓ Vena Energy has positioned sustainability as the centerpiece of its corporate strategy and has integrated ESG risks into investment decisions based on its ESG Policy and internally ruled procedures. The procedures refer to international best practice standards and systematically comprise risk assessment and management procedures commensurate with projects' potential environmental and social risks. It is evaluated that these procedures are advanced.</p>
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\*1 Please refer to the attached reference; an overview of the "Shinsei Green / Social / Sustainability Finance Framework" including the Shinsei Social Finance Framework.

\*2 The emission reduction effect is calculated using the "Emission Factors by each Electric Utility Operator -R1 fiscal year results-" published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry.

## Shinsei Green/Social/Sustainability Finance Framework

In recent years, more companies have chosen financial instruments which restrict use of loan proceeds to specific businesses with environmental / social benefits, such as green loans, social loans or sustainability loans as a means of raising funds. In order to support our customers to solve their environmental / social issues through the implementation of these finances, we formulated the "Shinsei Green Finance Framework", "Shinsei Social Finance Framework" and "Shinsei Sustainability Finance Framework" (hereinafter collectively referred to as "the Framework") in May 2020.

Sustainable Impact Assessment Department, our in-house independent assessment function, confirms whether a loan is aligned with the Framework after assessing the uses of loan proceeds, the management of proceeds, potential negative environmental / social impacts and other elements.

We have also obtained a third-party opinion from Japan Credit Rating Agency, Ltd. (JCR) stating that the Framework is consistent with the relevant principles\*<sup>2</sup> and that the internal implementation system of the Framework is robust.

We use the following logos to verify compliance with the Framework.

[Environmental]



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[Social]



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\*<sup>2</sup> This framework operates in accordance with the following related principles, which are domestic and international guidelines.

- "Green Bond Principles", "Social Bond Principles" and "Sustainability Bond Guidelines" published by the International Capital Market Association (ICMA)
- "Green Loan Principles" formulated by the Loan Market Association (LMA) and the Asia Pacific Loan Market Association

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*Shinsei Bank is a leading diversified Japanese financial institution providing a various range of financial products and services to both institutional and individual customers. The Bank has a network of outlets throughout Japan and is committed in its pursuit of uncompromising levels of integrity and transparency in all of its activities in order to earn the trust of its customers, staff and shareholders. The Bank is committed to delivering long-term profit growth and increasing value for all its stakeholders. News and other information about Shinsei Bank is available at <https://www.shinseibank.com/corporate/en/index.html>*

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