

September 28, 2020

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 DIC Corporation)**













Sumitomo Mitsui Trust Bank, Limited (President: Masaru Hashimoto; hereinafter “SuMi TRUST Bank”) and DIC Corporation (Representative Director, President and CEO: Kaoru Ino; hereafter “DIC”) 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 corporates’ Sustainable Development Goals (SDGs) is used as evaluation indicators and monitored based on publicly disclosed information.

“Color & Comfort” is the brand slogan of DIC Group, which expresses the Group’s desire to help create a society that adds rich color and comfort to people’s lives. With the aim of ensuring a sustainable society, the Group strives to provide products and solutions that respond to the needs of markets and its customers and add color and comfort to life. The Group promotes ESG management to create social value and contribute to the achievement of SDGs.

In concluding this agreement, SuMi TRUST Bank assessed the following initiatives of DIC Group both qualitatively and quantitatively as initiatives that particularly have impact on achieving SDGs.

Theme	Content	Goal and Indicator (KPI)	SDGs
Implementation of the chemical substance information management system	Creating the operation system of new chemical substance information management system	Goals: <ul style="list-style-type: none"> Fiscal year 2021: Begin using the new chemical substance information management system at DIC Group companies in Japan Fiscal year 2024: Expand deployment to overseas group companies other than Sun Chemical Indicator (KPI): <ul style="list-style-type: none"> Progress status of the new chemical substance information management system 	 
Promotion of the proprietary sustainability index	Using the proprietary sustainability index for all businesses and products to clarify environmental impact reduction and social contribution	Goals: <ul style="list-style-type: none"> Fiscal year 2020: Begin use at DIC on a trial basis Fiscal year 2021: Promote full-scale deployment at group companies 	   

		Indicator (KPI): <ul style="list-style-type: none"> Fiscal year 2021: Promote full-scale deployment at group 	
Response to climate change	Reducing in CO ₂ emissions and Promoting low-carbon businesses	Goal: <ul style="list-style-type: none"> Reduction in CO₂ emissions attributable to production: 30% from the fiscal year 2013 level by fiscal year 2030 Indicator (KPI): <ul style="list-style-type: none"> Reduction in CO₂ emissions 	 
Efforts to strengthen product and development capabilities and create new businesses	Business and product development designed to create new social value	Goal: <ul style="list-style-type: none"> Efforts to strengthen product and development capabilities Indicator (KPI): <ul style="list-style-type: none"> Progress status of creating new businesses and products 	      
Occupation safety and health/disaster prevention	Preventing accidents and disasters and boosting the level of environmental, safety and health initiatives	Goal: <ul style="list-style-type: none"> Preventing accidents and disasters Indicator (KPI): <ul style="list-style-type: none"> Total recordable injury rate 	
Human resources management	Reforming work style to capitalize on diversified individually	Goal: <ul style="list-style-type: none"> Encouraging women in the workplace Indicator (KPI): <ul style="list-style-type: none"> Percentage of female employee in management positions 	 

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 solution 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/>