

March 31, 2023

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: Kazuya Oyama; hereinafter “SuMi TRUST Bank”) concluded a “Positive Impact Evaluation” (hereinafter “this evaluation”) and “Positive Impact Finance (with unspecified use of funds)” loan agreement (hereinafter “this agreement”) with DIC Corporation (President & CEO: Kaoru Ino; hereinafter “DIC”) in line with the Principles for Positive Impact Finance (*1) released by the United Nations Environment Programme Finance Initiative (hereinafter “UNEP FI”) (*2).

Positive Impact Finance (hereinafter “PIF”) is a type of loan agreement intended to support corporations to comprehensively analyze and evaluate the impacts (both positive and negative) of business activities related to the environment, society and economy on an ongoing basis. 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 an evaluation indicator and monitored based on publicly disclosed information, and that we support corporations’ activities to achieve these goals through engagement.

This agreement has obtained a third-party opinion (*3) from Japan Credit Rating Agency, Ltd. (President: Shokichi Takagi) regarding the compliance of the procedures related to this agreement’s evaluation to the Principles as well as the rationality of the evaluation indicators.




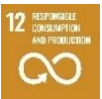




Through providing PIF and other solutions for sustainability businesses, we will continue to support clients’ business activities that contribute to the achievement of the SDGs and contribute to the enhancement of their corporate value over the medium to long term.




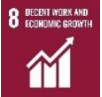

【About DIC】

The DIC Group sets its Vision as follows: “We improve the human condition by safely delivering color and comfort for sustainable prosperity — *Color & Comfort.*” Under its long-term management plan “DIC Vision 2030,” the DIC Group aims to contribute to a “Green Society” by achieving carbon neutrality and realizing circular economy, “Digital Society” by propelling the evolution of information and communications, and “Quality of Life (QOL) Society,” by delivering safety, peace of mind and convenience. With the aim of ensuring a sustainable society, the DIC Group strives to provide products and solutions that respond to the needs of markets and its customers, thus contributing to creating social value and achieving the SDGs through its businesses.

【Overview of Positive Impact Evaluation】

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

| Theme | Content | Goals and Indicators (KPI) | SDGs |
|---|---|--|---|
| Creating values that contribute to sustainable prosperity for society | <ul style="list-style-type: none"> ✓ Contribute to a sustainable society by expanding selection of sustainable products (*4) | <p>Transformation to business portfolio that achieves expansion of business activities in growth markets and creation of new businesses (Goal)</p> <ul style="list-style-type: none"> ✓ Increase sustainable products to 60% of net sales by FY2030 (Indicator (KPI)) ✓ Net sales of sustainable products |      |
| Contribution to the realization of a carbon-neutral society | <ul style="list-style-type: none"> ✓ Contribution to the realization of a carbon-neutral society | <p><u>a. Reduction of CO₂ emissions at sites</u> (Goal)</p> <ul style="list-style-type: none"> ✓ Reduce CO₂ emissions (Scope 1,2) at global sites by 50% by FY2030 (compared to FY2013) (Indicator (KPI)) ✓ Rate of CO₂ emissions (Scope 1,2) reduction at global sites of DIC Group <p><u>b. Reduction of CO₂ emissions across the supply chain</u> (Goals)</p> <ul style="list-style-type: none"> ✓ About Scope 3 Category 1, implement DIC Group's supplier engagement for 80% of the purchase value equivalent in FY2027 ✓ Reduce DIC Group's CO₂ emissions (Scope3 Category 2,3,4,5,12) by 13.5% by FY2030 (compared to FY2019) (Indicators (KPI)) ✓ Rate of implementation of DIC Group's supplier engagement of the purchase value equivalent about Scope 3 Category 1 ✓ DIC Group's CO₂ emissions (Scope3 Category 2,3,4,5,12) |   |
| Response to a circular economy | <ul style="list-style-type: none"> ✓ Raise the standard of circular economy initiatives and expand them through | <p><u>a. Reduction of industrial waste</u> (Goal)</p> <ul style="list-style-type: none"> ✓ Improve resource recycling rate at DIC Group companies in Japan by 80% or more by FY2023 |  |

| | | | |
|--|---|---|---|
| | businesses | <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> ✓ Resource recycling rate at DIC Group companies in Japan <p><u>b. Managing water resources</u></p> <p>(Goal)</p> <ul style="list-style-type: none"> ✓ Achieve 100% of the implementation for management at DIC Group’s global sites designated medium risk about water by 2030 <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> ✓ Rate of the implementation for management at DIC Group’s global sites designated medium risk about water <p><u>c. Contribution to recycling resources across the value chain</u></p> <p>(Goal)</p> <ul style="list-style-type: none"> ✓ Promote the development and provision of products contributing to recycling resources across the value chain <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> ✓ Status of the promotion of the contribution to recycling resources across the value chain |  |
| Promotion of efforts to maximize the value of human capital | <ul style="list-style-type: none"> ✓ Build a strategic human resources portfolio that maximizes the value of human capital | <p><u>Supporting efforts to secure a diverse labor force</u></p> <p>(Goals)</p> <ul style="list-style-type: none"> ✓ Improve the percentage of management positions occupied by women to 8% by January 2026 (only DIC) ✓ Improve the percentage of male employees using the Childcare Leave Program to 30% by FY2025 (only DIC) <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> ✓ Percentage of management positions occupied by women ✓ Percentage of male employees using the Childcare Leave Program |  |
| Security and disaster prevention, occupational safety and health, and ensuring the safety of chemical substances | <ul style="list-style-type: none"> ✓ Promote initiatives of environmental, safety and health (ESH) | <p>Promotion of Responsible Care Program</p> <p>(Goals)</p> <ul style="list-style-type: none"> ✓ Achieve a society that supports efforts to address ESH-related initiatives through Responsible Care Program (*5) ✓ Achieve zero accidents or disasters at DIC Group ✓ Launch CIGNAS system globally (Japan, PRC and Asia-Pacific) in FY2024 <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> ✓ Status of the promotion of Responsible Care |    |

| | | | |
|--|--|---|--|
| | | Program ✓ TRIR (Total Recordable Injury Rate) at DIC Group ✓ Status of launch of CIGNAS | |
|--|--|---|--|

(*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 the positive impact and reduce the 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 a 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) Third-party opinion on compliance with Principles of Positive Impact Financial and rationality of used metrics

For the independent opinion from Japan Credit Rating Agency, Ltd., please visit:

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

(*4) Health category products

Products that fall under the category of a health concept, aligned with either target items set forth in “Healthy Japan 21” by the Ministry of the Health, Labour and Welfare, or “Recommendations for Extending Healthy Life Expectancy Based on Cross-Disease Evidence” by the Japan Health Research Promotion Bureau, and support customers’ healthy lifestyle through innovative food solutions verified by either the national government, academic societies, or Nissui.

(*5) Employee engagement score

The score represents the “trust and contribution” between the company and its employees based on a survey which measures employees’ commitment, contribution motivation, and loyalty, mainly covering the corporate philosophy, scope of business, and organizational culture. This is to check whether individual growth and organizational growth are attained simultaneously.

(*6) Female managers

Managers and those who are equivalent to or higher than managers, excluding executives

Ends