

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 Nissui 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 Nissui Corporation (Representative Board Member, President & CEO: Shingo Hamada; hereinafter “Nissui”) 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.


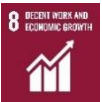





Through providing PIF and other solutions for sustainability businesses, we will continue to support clients’ business activities that contribute to the achievement of the SDGs and contribute to the enhancement of their corporate value over the medium to long term.




【About Nissui】

Nissui abides by its founding principles “A tap water supply system is exactly what marine products should be like in their production and distribution” as the basis for its management policy system. Through the global value chain with marine resources as the core, Nissui provides innovative food solutions. In April 2022, Nissui published its new mission, long-term vision (“Good Foods 2030”), mid-term management plan “Good Foods Recipe1” (from FY2022 to FY2024) and rebranding, and changed the company name in December 2022. By reinforcing business portfolio management and accelerating sustainability management, Nissui is improving its corporate value in order to realize “A leading company that delivers friendly foods for people and the Earth” as published in long-term vision, working to solve social issues through its businesses.

【Overview of Positive Impact Evaluation】

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

Theme	Content	Goals and Indicators (KPI)	SDGs
Solve health problem	<ul style="list-style-type: none"> ✓ Contribute to a life with security, safety and comfort 	<p><u>Contribution to solving global social issues through health category products (*4)</u></p> <p>(Goal)</p> <ul style="list-style-type: none"> ✓ Increase the sales of health category products by three times by FY2030 compared to FY2021 <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> ✓ Sales of health category products 	
Sustainable procurement	<ul style="list-style-type: none"> ✓ Preserve the bountiful sea and promote the sustainable utilization of marine resources and their procurement 	<p><u>a. Sustainable use of marine resources</u></p> <p>(Goal)</p> <ul style="list-style-type: none"> ✓ Achieve 100% of sustainable procurement of marine resources by FY2030 <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> ✓ Rate and initiatives of sustainable procurement of marine resources <p><u>b. Addressing respect for human rights of suppliers</u></p> <p>(Goal)</p> <ul style="list-style-type: none"> ✓ Achieve 100% assessment of key tier-1 suppliers by FY2030 (Nissui, and domestic and overseas consolidated subsidiaries) <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> ✓ Assessment rate of key tier-1 suppliers 	   
Actions toward climate change and ocean environment	<ul style="list-style-type: none"> ✓ Preserve the bountiful sea and promote the sustainable utilization of marine resources and their procurement 	<p><u>a. Achieving carbon neutrality by 2050</u></p> <p>(Goal)</p> <ul style="list-style-type: none"> ✓ Reduce CO₂ emissions (Scope 1,2) by 30% by FY2030 compared to FY2018 (Nissui, and domestic and overseas consolidated subsidiaries) <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> ✓ CO₂ emissions (Scope 1,2) <p><u>b. Reduction of plastic use</u></p> <p>(Goals)</p> <ul style="list-style-type: none"> ✓ Reduce plastic usage in containers and packaging (per unit) by 30% by FY2030 compared to FY2015 (Nissui) ✓ Reduce plastic waste at the production phase (per unit) by 30% by FY2030 compared to FY2017 (Nissui, and domestic and overseas consolidated subsidiaries) ✓ Complete 100% aquaculture float switchover in FY2024 <p>(Indicators (KPI))</p> <ul style="list-style-type: none"> ✓ Plastic usage in containers and packaging (per unit) 	 

		<ul style="list-style-type: none"> ✓ Plastic waste at the production phase (per unit) ✓ Percentage of aquaculture float switchover <p><u>c. Reduction of food loss and waste</u></p> <p>(Goals)</p> <ul style="list-style-type: none"> ✓ Reduce waste from animal and plant residues (per unit) by 30% by FY2030 compared to FY2017 (Nissui, and domestic and overseas consolidated subsidiaries) ✓ Reduce waste from products by 50% by FY2030 compared to FY2020 (Nissui) <p>(Indicators (KPI))</p> <ul style="list-style-type: none"> ✓ Volume of waste from animal and plant residues (per unit) ✓ Volume of waste from products 	
Diverse human capital playing an important role	<ul style="list-style-type: none"> ✓ Aim to be a company where diverse human capital play an important role to address the social agenda 	<p><u>a. Engagement for individual growth and organizational growth</u></p> <p>(Goal)</p> <ul style="list-style-type: none"> ✓ Improve employee engagement score (*5) by 20% by FY2030 compared to FY2021 <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> ✓ Employee engagement score <p><u>b. Promotion of Diversity & Inclusion</u></p> <p>(Goal)</p> <ul style="list-style-type: none"> ✓ Improve ratio of female managers (*6) to 20% by FY2030 <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> ✓ Ratio of female managers 	  

(*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 are 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