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Mitsui Chemicals, Inc.

Mitsui Chemicals Signed Syndicated Loan Agreement for a Positive Impact Finance

Mitsui Chemicals, Inc. (Tokyo: 4183; President & CEO: HASHIMOTO Osamu) today announced that it has signed an agreement with Sumitomo Mitsui Trust Bank, Limited (SMTB; President: HASHIMOTO Masaru) for a Positive Impact Finance (PIF) loan with unspecified use of funds. The loan is aligned with the United Nations Environment Programme Finance Initiative (UNEP FI) ^{*1} Principles for Positive Impact Finance. ^{*2}

PIF involves comprehensive analysis and evaluation of the environmental, social and economic impacts – both positive and negative – of corporate activities and the provision of loans to support these activities on an ongoing basis. The key feature of PIF is its information disclosure element, using here as a performance indicator the extent to which a company contributes to achieving the Sustainable Development Goals (SDGs) through its activities, products and services.

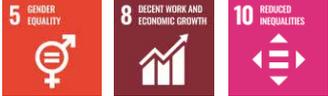
Overview of the Syndicated Loan

Date of Agreement	June 25, 2020
Arranger/Agent	Sumitomo Mitsui Trust Bank Limited
Sum	15 billion yen
Purpose of Loan	Working capital
Lender (listed in order of the Japanese kana syllabary)	The Senshu Ikeda Bank, Ltd., The Shiga Bank, Ltd., The Chukyo Bank, Ltd., The Hyakugo Bank, Ltd., The Hyakujushi Bank, Ltd., The Bank of Yokohama, Ltd., Sumitomo Mitsui Trust Bank Ltd., and other 1 bank

The Mitsui Chemicals Group is actively incorporating elements of sustainability into its management and strategies, aiming to realize a cohesive society in harmony with the environment, health and happiness in an aging society and industrial platforms in harmony with local communities. In particular, Mitsui Chemicals is contributing to the achievement of SDGs by creating social value via business activities that see delivery of Blue Value™ and Rose Value™^{*3} – yardsticks for assessing the Group's contributions to the environment and quality of life, respectively.

In concluding the agreement, Mitsui Chemicals is subject to qualitative and quantitative evaluation on the following themes, which have a particular impact on SDG achievement:

Theme	Content	KPIs (indicators and targets)	SDGs
Contribution to society, the environment and the economy through Blue Value™ products	Use of natural energy and non-fossil materials, reduction of greenhouse gas (GHG) emissions through lighter-weight and longer-lasting products, conservation of energy and resources	<ul style="list-style-type: none"> Blue Value™ products sales ratio: 30% or more New Blue Value™ certifications Investment associated with Blue Value™ products 	
Contribution to society, the environment and the economy through Rose Value™ products	Responding to the declining birthrate and aging population, extending healthy life expectancy, addressing food problems	<ul style="list-style-type: none"> Rose Value™ products sales ratio: 30% or more New Rose Value™ certifications Investment associated with Rose Value™ products 	
Environmental protection (GHGs and energy, reducing emissions of chemical substances) and chemicals management	Promotion of energy efficiency, fuel switching, creation of process innovation technologies	<ul style="list-style-type: none"> GHG emissions reduction rate: 25.4% or more compared with FY 2005 (FY2030) Energy intensity reduction: Continue at 1% or above (5-year annual reduction rate) Provision of latest product safety information: Continue at 100% 	
Health, safety and prevention in the workplace	Unstinting pursuit of zero accidents and occupational injuries	<ul style="list-style-type: none"> Incidence of major accidents: Continue at zero Significant occupational injury frequency: Continue at or below 0.15 	

Effective use of personnel	Maximizing human productivity and satisfaction	<ul style="list-style-type: none"> Ratio of women in management positions (manager-level or above): 10% or more Increase in employee engagement 	
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Mitsui Chemicals will disclose the progress and results of these initiatives in the Mitsui Chemicals Report.*⁴ In signing the agreement, Mitsui Chemicals obtained a third-party opinion from Japan Credit Rating Agency, Ltd. (President: TAKAGI Shokichi) regarding the compliance of its evaluation procedures with the Principles for Positive Impact Finance and the reasonableness of the performance indicators used for evaluation (<https://www.jcr.co.jp/en/>).

The Mitsui Chemicals Group will continue to pursue its goal of becoming a sustainable corporate group with a global presence by further enhancing its initiatives aimed at creating social value.

*¹ United Nations Environment Programme Finance Initiative (UNEP FI)

The United Nations Environment Programme (UNEP) is a subsidiary body of the United Nations established in 1972 as an implementing agency for the Human Environment Declaration and the International Environmental Action Programme. UNEP FI is a broad and close partnership between UNEP and more than 200 global financial institutions. Since its establishment in 1992, it has been working with financial institutions and with policy and regulatory authorities to transform itself into a financial system that integrates economic development and environmental, social and corporate governance considerations.

*² Principles for Positive Impact Finance

Formulated in January 2017 by UNEP FI, the Principles for Positive Impact Finance provide a framework for enabling finance to achieve the SDGs. Companies disclose key performance indicators (KPIs) for contributions to achieving SDGs, and banks provide finance after assessing the positive impacts of such contributions. This framework guides efforts to increase positive impacts and reduce negative impacts from the activities of companies being financed. As responsible financial institutions, the lending banks monitor the indicators to ensure that the impacts are being maintained.

*³ Blue Value™ and Rose Value™

Yardsticks used to help visualize the contributions that the Mitsui Chemicals Group's products and services make to the environment and society and enable the Group to share those values with stakeholders, with the goal of realizing a cohesive society that is in harmony with the environment, and achieving health and happiness in an aging society. Mitsui Chemicals uses these distinctive yardsticks to evaluate its products and services according to application. Those that make significant contributions to the environment are certified as Blue Value™ products, while those that substantially enhance QOL are certified as Rose Value™ products. https://jp.mitsuichemicals.com/en/sustainability/mci_sustainability/contribution_value/index.htm

*⁴ Mitsui Chemicals Report <https://jp.mitsuichemicals.com/en/ir/library/ar/index.htm>

For more information on sustainability at Mitsui Chemicals, please see our ESG Report:

<https://jp.mitsuichemicals.com/en/sustainability/index.htm>