

Third-Party Opinions on Positive Impact Finance Evaluation by Sumitomo Mitsui Trust Bank To Toyo Aluminium K.K.

Japan Credit Rating Agency, Ltd. (JCR) provided a third party opinion to Positive Impact Finance provided by Sumitomo Mitsui Trust Bank to Toyo Aluminium K.K.

<Executive Summary>

This Third-Party Opinion examines the suitability of Sumitomo Mitsui Trust Bank, Limited. ("SMTB") to the Positive Impact Finance Principles ("PIF") and the PIF Model Framework which allow borrower not to limit the use of proceeds established by the United Nations Environmental Programme Finance Initiative ("UNEP FI") for the PIF implemented by SMTB to Toyo Aluminium K.K.(Toyal). To ensure the transparency and objectivity which are recommended in Principle 4 of PIF, Japan Credit Rating Agency, Ltd. ("JCR"), as an independent third-party organization, reviewed (1) the rationality of SMTB's PIF evaluation for Sumitomo Forestry and the impacts related to the identified impact indicators, and (2) the compliance of SMTB's PIF principles for the structuring of PIF products to Toyal.

(1) The rationality of SMTB's PIF evaluation for Toyal and the impacts related to the identified impact indicators

In 1931, Toyal was established as Aluminium Sumitomo Limited for the purpose of fabrication and sales of aluminum sheet and foil under the capital tie-ups between Aluminium Limited (Currently Alcan Aluminium Limited) in Canada and Sumitomo. The Company started its operation as Toyo Aluminium K.K. (Toyal) in 1999.

In 1964, Toyal established the world's first research center for aluminum foil at the Yao Works, followed by the establishment of the Aluminum Paste Research Division in 1967. Through aggressive R&D activities, Toyal has kept its leading position as a manufacturer of aluminum foil and aluminum paste. As an R&D-oriented company, Toyal has developed highly functional materials that are useful for society, industry, and daily life by taking advantage of the superior properties of aluminum for the global society. Toyal has established a Corporate Philosophy of contributing to the well-balanced development of society and the economy and conservation of the global environment through the use of products that demonstrate the unique functions of aluminum by many users, and has established an Action Guideline with the purpose of winning the trust of society.

In order to promote sustainable management, Toyal has formulated the Basic CSR Policy and the CSR Charter based on the Corporate Philosophy and Action Guidelines mentioned above, and conducts CSR activities accordingly. In accordance with SDG Compass five steps (understanding SDGs, Defining Priorities, Setting Goals, Integrating, Reporting & Communicating), Toyo Aluminum Group holds study meetings at each company in Japan, from executives to employees, in an effort to promote awareness of SDGs. In addition, it identifies the materiality that incorporates the opinions of stakeholders through external experts and in-house workshops as follows: 1. Innovation for the Future, 2. Environmental Protection, 3. Human Resources Diversity, 4. Quality and Safety, 5. Cooperation with Stakeholders. Toyal have set short-and medium-term targets for these material issues based on KPIs for 2031, the 100th anniversary of the founding of Toyal, as the target year for achieving the KPI targets.

In accordance with the verification criteria set forth in the Model Framework, JCR evaluates the appropriateness of the holistic analysis and impact identification by SMTB for Toyal and considers the analysis to be valid. In this finance, SMTB addressed "Innovation for the Future", "Environmental Protection", and "Human Resources Diversity" as impact categories and set KPIs and will monitor during the finance period. They are based on the results of the above holistic analysis, and JCR evaluates that the monitoring content and methods are appropriate. JCR confirmed the impact of these indicators in accordance with Principle 4 of the PIF. Based on the above, JCR evaluates that SMTB fully utilizes the holistic impact analysis (impact identification, assessment, and monitoring) of the model framework. Toyal's sustainability management is consistent with the philosophy of the PIF Principles and the Model Framework for holistic impact analyses in the three SDGs areas of the environment, society, and economy.

(2) Compliance of SMTB's PIF Principles for the Structuring of PIF Products to Toyal

Regarding the SMTB's PIF evaluation framework, JCR confirmed the appropriateness of SMTB's product origination, internal regulations and systems, and the appropriateness of the PIF evaluation procedures in line with the PIF Principles. As a result, JCR confirmed that all items met the requirements.

Important explanation of this third-party opinion

1. Assumptions, Significance, and Limitations of JCR Third-party opinions

The third-party opinion granted and provided by Japan Rating Research Institute (JCR) is a comprehensive opinion of business entities and procurement entities regarding their compliance with the Positive Impact Financial (PIF) Principles formulated by the United Nations Environmental Programme Finance Initiative, and do not fully indicate the extent of the positive impact of the positive impact finance.

This third-party opinion is a statement of opinion on the current plan or status based on information provided by the client, the procurement entity and the business entity, and information independently collected by JCR, and does not guarantee positive results in the future. In addition, this third-party opinion does not quantitatively demonstrate the positive effects of PIFs, and does not represent a commitment to the effects of PIFs. JCR confirms that the funds procured from this project are quantitatively and qualitatively measured by a procurement entity or a third party commissioned by a procurement entity with respect to the degree of achievement of the impact indicators set by the Company. However, in principle, JCR does not directly measure the degree of achievement.

2. International initiatives, principles, etc. referenced in the preparation of this third-party opinion

In preparing this opinion, JCR refers to the following principles and guides developed by the United Nations Environment Programme Finance Initiative.

Positive Impact Financial Principles

Positive Impact Finance Model Framework, which does not limit the use of funds

3. Relationship with Acts Related to Credit Rating Business

Providing this third-party opinion is undertaken by JCR as a related activity and does not constitute an activity relating to the credit rating business.

4. Relationship with Credit Ratings

The Assessment differs from the Credit Rating and does not promise to provide or make available for inspection a predetermined Credit Rating.

5. Third-party character of JCR

There are no capitals or human relationships that could cause conflicts of interest between the business entity or procurement entity of the PIF and JCR.

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■ Glossary

Third-Party Opinion: This Report, at the request of the client, provides a third-party opinion on the conformity of the Bank's Positive Impact Financial Assessment Report to the United Nations Environmental Programme Finance Initiative's Positive Impact Finance Principles from an independent, neutral and impartial standpoint.

Business entities: Financial institutions that implement positive impact finance.

Procurement entities: Operating companies, etc. that borrow through positive impact finance for positive impact business.

■ Registration as an External Evaluator of Sustainable Finance

- Members of the United Nations Environment Programme Financial Initiative Positive Impact Working Group
- Ministry of the Environment's external green bond reviewer registration
- Climate Bonds Initiative Approved Verifier (Climate Change Initiative Accreditation Verification Organization)
- ICMA (registration as an observer with the International Association of Capital Markets as an external evaluator) Member of the Working Group on Principles of Social Bonds

■ Status of registration as a credit rating agency, etc.

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- EU Certified Credit Rating Agency
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