

Third party opinions on Positive Impact Finance Evaluation by Sumitomo Mitsui Trust Bank to Sumitomo Metal Mining Co., Ltd.

Japan Credit Rating Agency, Ltd. (JCR) provided a third party opinions to Positive Impact Finance provided by Sumitomo Mitsui Trust Bank to Sumitomo Metal Mining Co., Ltd.

<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 Sumitomo Metal Mining Co., Ltd. ("SMM"). 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 framework and impact indicators for positive impact assessment of SMM which procures funds through the PIF, and (2) the compliance of SMTB's PIF principles for the structuring of PIF products.

(1) Framework and Impact Indicators for Positive Impact Assessment of Sumitomo Metal Mining Co., Ltd.

Sumitomo Metal Mining Co., Ltd. has established the CSR Policy and the Group Code of Conduct with the Group Corporate Philosophy as its top concepts. In addition, various policies such as the "Mineral Sourcing Policy" and the "Policy on Human Rights" have been established and utilized for management. Other management systems based on international guidelines have been established (including the development process).

Based on these policies, SMM pursue the impact on society and the environment by implementing sustainability activities throughout the entire supply chain, including our own companies, business partners and customers. Mining and metal refining play an important role in providing the materials and functions that support society and their importance will increase in the future. At the same time, it is recognized as one of the sensitive sectors in terms of environmental and social issues. Appropriate resilience in both aspects will determine the sustainability of individual firms in the sector.

SMM has established a framework to respond to various initiatives and guidelines established by international organizations and industry groups. On March 4, 2020, SMM announced its "Vision for 2030." In formulating the plan, the eleven key issues were examined from the viewpoints of both the reduction of risks that could pose to the environment and the positive outcomes that could be returned to society, taking a holistic view of the overall business activities. The refining business accounts for 60% of net sales in SMM's business activities, SMM's business is characterized by consistency in the mineral resources, refining, and materials businesses, and its locations are dispersed among resource-producing countries and regions in Japan. In order to provide a company-wide overview of the impact, SMTB holistically analyzes its initiatives at its major bases, focusing on copper, nickel, and gold, from a supply chain perspective covering three business areas. JCR evaluates that it is appropriate to holistically assess the impact of the refining process from upstream to downstream in the supply chain, taking into account the characteristics of industry and metal refining. In addition, SMTB applied a holistic analysis and identified six individual impacts related to the Visions for 2030 as key issues. The reason for this is that SMM was decided by responding to internal discussions and external requests in order to identify 11 important issues, so that SMM holistically covered the important impact in the operation of SMM. From the above, JCR evaluated that the selection of impact centers and categories of impact is appropriate, and that themes that contribute to the solution of important environmental and social issues have been extracted.

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<Executive Summary> (Continued)

JCR confirmed the adequacy of the holistic impact analysis and the identified individual impacts in accordance with the verification items set out in UNEP FI's Model Framework ("Framework").

As a result, JCR evaluates that the impact analysis content of the SMM is reasonable analysis result by utilizing this framework.

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

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.

- Credit Rating Agency: the Commissioner of the Financial Services Agency (Rating) No.1
- EU Certified Credit Rating Agency
- NRSRO: JCR has registered with the following four of the five credit rating classes of the Securities and Exchange Commission's NRSRO(Nationally Recognized Statistical Rating Organization. (1)Financial institutions, broker dealers, (2) insurance companies, (3) general business corporations, and (4) government and local governments. If the disclosure is subject to Section 17g-7(a) of the Securities and Exchange Commission Rule, such disclosure is attached to the news releases posted on the JCR website (<https://www.jcr.co.jp/en/>).

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