

## NEWS RELEASE

29 September 2023  
Nippon Sheet Glass Co., Ltd.

### Conclude Loan Agreements Linked to Achievement of Sustainability Target

NSG Group announces it has entered into the following two loan agreements of 23.9 billion yen in total linked to the NSG Group's sustainability target.

#### 1. Background

NSG Group regards sustainability engagement as an important activity to resolve environmental and social issues with consistent business development simultaneously and aims to grow together with society through sustainability activities.

Among those, the Group has positioned efforts to address climate change and other environmental issues as one of its top priorities and is actively working to reduce CO<sub>2</sub> emissions from its manufacturing processes and shift to renewable energy. NSG Group's greenhouse gas emission reduction targets are the first in Japan's glass manufacturing industry to be recognized as "science-based targets" by the SBT Initiative (\*1). NSG Group is actively working on environmental issues and successful of manufacturing experiment by using hydrogen energy and 100% biofuel.

The sustainability target set in these two loan agreements are in line with the NSG Group's greenhouse gas reduction target and carbon neutrality goal. We will aim this sustainability target to work towards achievement of execution of our business strategy and development of sustainability.

#### 2. Loan agreements

- (1) Formulation of "Sustainability Linked Loan Framework" supported by Sumitomo Mitsui Banking Corporation (hereafter "SMBC") and conclusion of syndicated sustainability linked loan ("This loan") arranged by SMBC.

##### 【Summary】

Signed date	27 September 2023
Arranger	Sumitomo Mitsui Banking Corporation
Lender	Syndicate Group organized by the arranger
Amount	16.3 billion yen
Period	3 years,4 years (By Tranche)
SPTs	SPT-1: Reduce CO <sub>2</sub> emissions from Scope 1 and 2 by 24.0% from 2021 levels by 2030. SPT-2: Achieve 85% of all electricity consumed in business activities that is derived from renewable energy sources by 2030. *SPTs and its result to be confirmed by arranger and lenders annually

The objective of sustainability linked loans is to promote and support environmentally and socially beneficial economic activities and growth by linking corporate loan terms with a client's performance against sustainability performance targets ("SPTs") consistent with a client's sustainability strategy.

This loan sets SPTs based on this recognition, and as an incentive to achieve these SPTs, the interest rate terms are linked to the degree to which the SPTs are achieved.

NSG received a second party opinion from Rating and Investment Information, Inc. (“R&I”) for this Loan for its alignment with the “Sustainability Linked Loan Principles” (revised in February 2023) published by Loan Market Association (LMA), Loan Syndications and Trading Association (LSTA) and Asia Pacific Loan Market Association (APLMA), as well as the validity of the SPTs performance figures.

- (2) Conclusion of positive impact finance “Aozora Positive Impact Finance”(hereafter this finance) based on “Aozora’s ESG Framework Loan”

**【Summary】**

Signed date	29 September 2023
Lender	Aozora Bank, Ltd.
Amount	7.6 billion yen
Period	4years
KPIs and targets	<p>&lt;Reduction ratio of CO<sub>2</sub> emissions (compared to 2021)&gt;</p> <ul style="list-style-type: none"> <li>● Reduce CO<sub>2</sub> emissions from Scope 1 and 2 by 24.0% from 2021 levels by 2030.</li> </ul> <p>&lt;Ratio of electricity from renewable energy&gt;</p> <ul style="list-style-type: none"> <li>● Achieve 85% of all electricity consumed in business activities that is derived from renewable energy sources by 2030.</li> </ul> <p>*KPIs targets and results to be confirmed by the lender annually</p>

Positive Impact Finance (PIF) is designed to comprehensively analyse and assess the impact of corporate activities on the environment, society and economy with the aim of providing continued support for the development and expansion of positive impact or the mitigation and control of negative impact.

“Aozora’s ESG Framework Loan” aims to support customers’ sustainable finance initiatives. On June 1, 2022, it obtained a second opinion from Rating and Investment Information, Inc.(R&I) stating that the loan is consistent with international principles and other requirements. Also, “Aozora Positive Impact Finance” obtained a second opinion from the same agency on June 1, 2023, which states that the Bank’s PIF assessment system is in compliance with the PIF Principles and implementation guidelines established by the United Nations Environment Programme Finance Initiative (UNEP FI).

**Reference:**

(\*1) SBT Initiative (Science Based Targets Initiative):

A joint initiative of the CDP (formerly the Carbon Disclosure Project), the United Nations Global Compact, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF) , which encourages companies to set greenhouse gas reduction targets consistent with scientific findings in order to reduce climate change risks.

Sumitomo Mitsui Banking Corporation website:

<https://www.smbc.co.jp/hojin/financing/sustainable/kokusai/> (Japanese page)

Rating and Investment Information, Inc.(R&I) website:

<https://www.r-i.co.jp/rating/esg/sustainabilityfinance/index.html> (Japanese page)

Aozora Bank, Ltd. Website:

<https://www.aozorabank.co.jp/english/news/>



### **About NSG Group (Nippon Sheet Glass Co., Ltd. and its group companies)**

The NSG Group is the world's leading supplier of glass and glazing systems in the business areas of Architectural, Automotive and Creative Technology.

Architectural manufactures and supplies architectural glass as well as glass for the solar energy and other sectors.

Automotive serves the original equipment (OE) and aftermarket replacement (AGR) glazing markets.

Creative Technology comprises several discrete businesses, including lenses for printers and scanners, specialty glass fiber products such as glass cord for timing belts and glass flake, and Fine Glass products. <https://www.nsg.com>

### **Sustainability Targets of NSG Group**

NSG Group is committed to achieving carbon neutrality by 2050 after the revision of the SBT certification obtained in 2019 with the goal of CO<sub>2</sub> emission reduction by 2030, which was reviewed in 2021 and increased to 30% compared to 2018 and is working to achieve this goal. This new goal was certified by SBTi in May 2022, and we are promoting various activities to achieve a sustainable society and carbon neutrality in the future.

About Sustainability Initiatives: <https://www.nsg.com/en/sustainability>

### **MEDIA CONTACT**

Phone: +81-(0)3-5443-0100 or please use the contact form on the web (<https://www.nsg.com/en/media/media-contacts>)