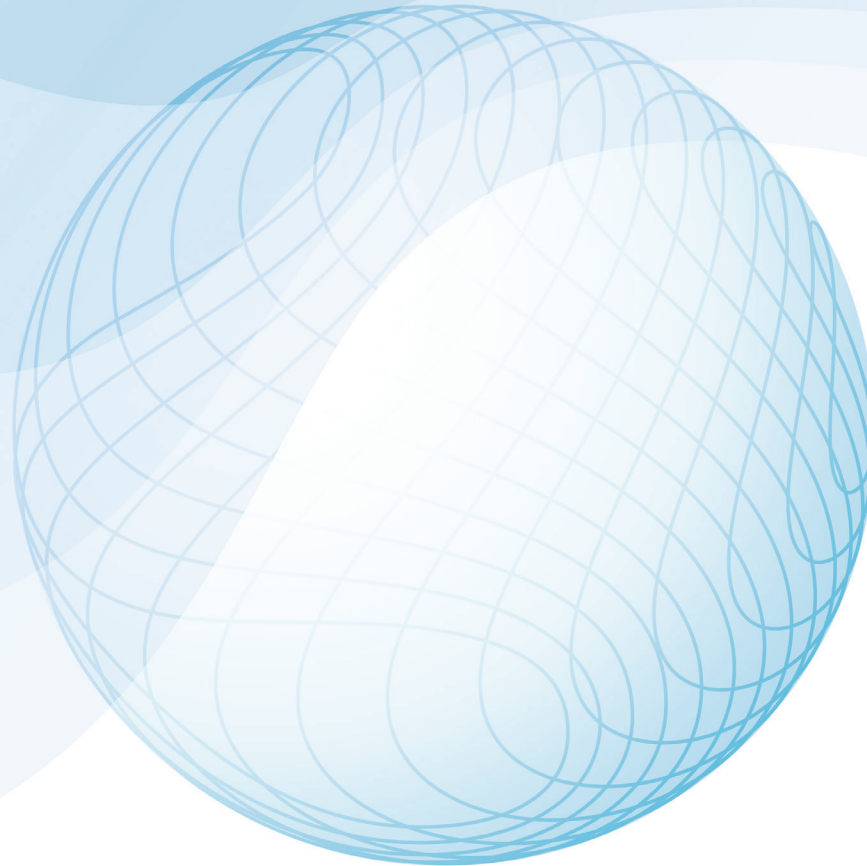


Sustainability Report 2024



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Reporting Boundary

Sumitomo Metal Mining Co., Ltd. (SMM)

The Sumitomo Metal Mining Group (SMM and consolidated subsidiaries)

Economic Topics: SMM, consolidated subsidiaries and equity-method affiliates

Environmental Topics¹: SMM, consolidated subsidiaries and equity method affiliates (28 companies)

Social Topics¹: SMM and consolidated subsidiaries

¹ Our environmental and occupational health and safety reporting covers our consolidated subsidiaries as well as business sites that have been determined to present major impacts

Period Covered

Japan: April 1, 2023–March 31, 2024

Overseas: January 1, 2023–December 31, 2023

(Some activities before or after the following periods have also been included)

Publication Date

September 2024 (published once a year)

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Disclaimers

The sums of some data may not match reported totals due to rounding. In addition, some values from previous fiscal year reports may have been revised following reviews of the data.

About future projections, etc.

Future projections, etc. in this report are based on information available to the Company at the time of writing and incorporate risks, uncertainties, and other factors. Accordingly, future business results may differ from content in this report.

The Sumitomo Business Spirit and the SMM Group Corporate Philosophy

The Sumitomo Business Spirit

Article 1

Sumitomo shall achieve strength and prosperity by placing prime importance on integrity and sound management in the conduct of its business.

Article 2

Sumitomo shall manage its activities with foresight and flexibility in order to cope effectively with the changing times. Under no circumstances, however, shall it pursue easy gains or act imprudently.

(Quoted from the Sumitomo Goshi Kaisha Administrative Regulations, named "Summary of Business Operations," formulated in 1928)

SMM Group Corporate Philosophy

Sumitomo Metal Mining Co., Ltd. (SMM), in accordance with the Sumitomo Business Spirit, shall, through the performance of sound corporate activities and the promotion of sustainable co-existence with the global environment, seek to make positive contributions to society and to fulfill its responsibilities to its stakeholders, in order to win ever greater trust.

SMM shall, based on respect for all individuals and recognizing each person's dignity and value, seek to be a forward-minded and vibrant company.

SMM Group Management Vision

By improving technical capabilities, we shall fulfill our social responsibilities as a manufacturing enterprise.

Based on the principles of compliance, environmental protection and operational safety, SMM Group shall pursue maximum corporate value through the securing of resources and the provision of high-quality materials such as non-ferrous metals and advanced materials via its global network.

Editorial Policy GRI 2-1/2-5/2-6

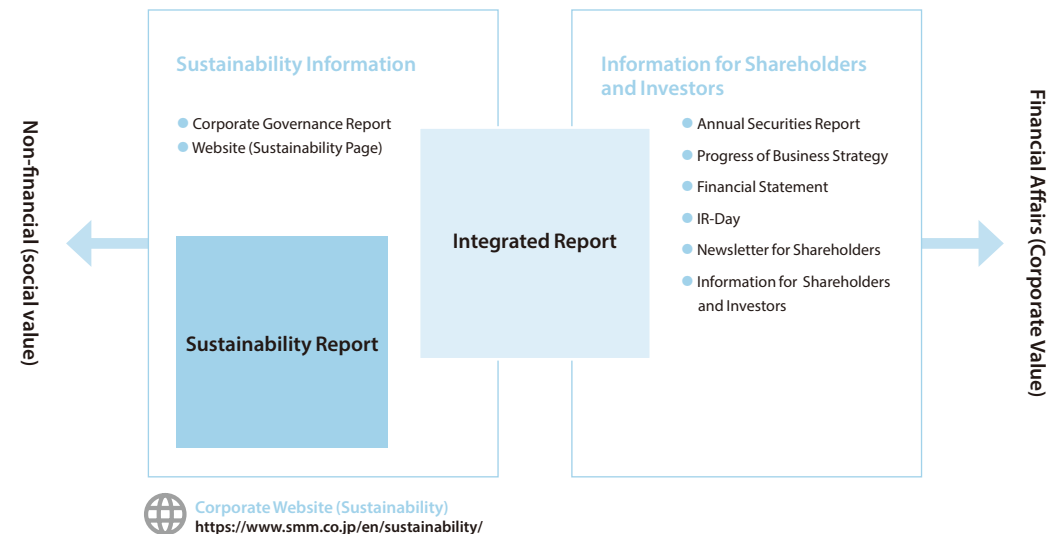
Basic Approach

The Sumitomo Metal Mining Group Sustainability Report 2024 aims to report on our Group's basic approach to the achievement of a sustainable society, our promotion structure and KPIs for achieving Vision for 2030 with respect to material issues, the results of our activities in FY2023, and our future plans.

The report describes our Group's sustainability-related activities within the framework of environment, society, and governance, along with the positive and negative effects on society of our Group's business activities and our initiatives to achieve a sustainable society. As tools for engagement with all stakeholders, we followed the Mining Principles of the International Council on Mining and Metals (ICMM) to which we belong and made reference to requirements and disclosures under the GRI Standards, in order to disclose information in line with international guidelines. We also disclose information on climate change in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Through this report, we seek to enhance understanding of our Group's sustainability activities, to invite wide-ranging comments from stakeholders, and to enhance our activities and information disclosure in the future.

Information Disclosure System



Corresponding GRI Sector Standards

Mining and Metal processing
We plan to disclose information in line with the Sector Standards from FY2026.

Independent Assurance

We have received independent assurance from KPMG AZSA Sustainability Co., Ltd. regarding performance data and other data in this report. This report is issued following prior confirmation by our president of the report's content and of the receipt of independent assurance. Indicators subjected to assurance are noted by the symbol ☒.

Reference Guidelines

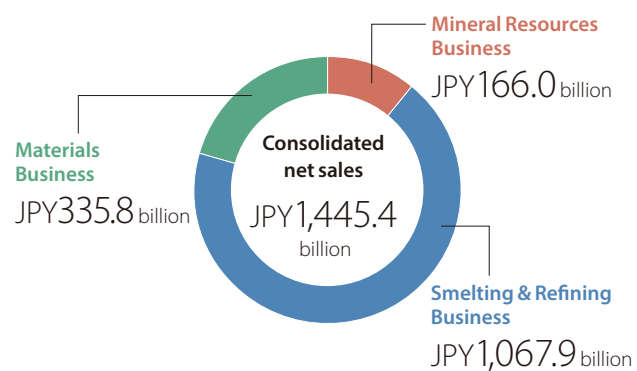
- Global Reporting Initiative (GRI)
The GRI Standards
- Task Force on Climate related Financial Disclosures: TCFD
- Corporate Sustainability Reporting Directive: CSRD

SMM Group Overview GRI 2-1/2-2/2-6

Corporate Data

Company name	Sumitomo Metal Mining Co., Ltd.
Address of Head Office	11-3, Shimbashi 5-chome Minato-ku, Tokyo 105-8716, Japan (Shimbashi Sumitomo Building)
Founded	1590
Incorporated	1950
Capital	JPY93.2 billion
Employees (consolidated)	7,496
Net sales (consolidated)	JPY1,445.4 billion (FY2023 ended March 31, 2024)
Profit before tax (consolidated)	JPY95.8 billion (FY2023 ended March 31, 2024)
Business activities	Resource development, non-ferrous metal smelting and refining, manufacture and sale of advanced materials, and other business

Net Sales by Business Segment



Figures Showing Each Business's Special Characteristics





Placing our relationship of social trust at the core of my management agenda, I pledge to fulfill SMM's responsibility to create a sustainable society.

GRI 2-22

Nobuhiro Matsumoto,
President & Representative Director

My pledge as your new president

It is an honor to address readers of this Sustainability Report as SMM's new president, a position I was privileged to assume in June 2024. In accepting this weighty responsibility, I pledge to wholeheartedly embrace the "Sumitomo Business Spirit" passed down by my predecessors and to maintain the Company's solid relationship of social trust as the core of my management agenda.

More than 35 years have passed since I joined SMM in 1987, and in retrospect the bulk of that time I was directly involved in production. A particularly memorable period is the two years, from 2006 to 2008, I worked at HPAL plant in the Philippines. After returning to Japan, I then served as General Manager of the Niihama Nickel Refinery. In both postings, I gained precious and valuable experience in hands-on operations. This long record of working where *MONOZUKURI* (manufacturing and operation) takes place now underpins my intent to focus on *MONOZUKURI RYOKU* (manufacturing and operational capability) as the primary source of the SMM Group's competitive power.

Addressing material issues from both business and social perspectives

When the SMM Group set down its "Vision for 2030" as interim targets in the runup to achieving the Company's Long-Term Vision,

we identified eleven material issues of major importance in both business and broad social terms.

In the 2023 fiscal year, we scored significant progress in addressing a number of those issues. First, to offset climate change, we formulated and announced an interim target and roadmap for achieving carbon neutrality by 2050. Our new target is to cut the Company's greenhouse gas (GHG) emissions in fiscal 2030 by 38% or more compared to the level of fiscal 2015. We aim to achieve this largely by developing technologies that will contribute to reducing GHG emissions. Central to this program will be pursuit of energy conversion: transitioning from heavy oil and coal to LNG and biofuels.

In conjunction with our commitment to make optimally effective use of non-ferrous metal resources, this past year we began construction of a recycling plant for lithium-ion secondary batteries, part of our quest to build a circular economy. The plant will incorporate a "battery to battery" approach: recovering non-ferrous metals from spent EV batteries and reusing the recovered metals in new batteries. In the resource procurement phase also, in fiscal 2023 we launched demonstration testing of Direct Lithium Extraction (DLE), a technology that enables faster lithium recovery with a light environmental load.

In other areas, as part of our ongoing efforts to prevent serious environmental accidents, we are striving for proper management of our tailings dams in line with the Global Industry

Standard on Tailings Management (GISTM). In the context of promoting human rights throughout our supply chain, we are also focusing on maintaining responsible sourcing. Besides receiving third-party certification for the Company's smelters and refineries, I aim to also further strengthen management throughout our supply chain.

Two other material issues to which I am personally strongly committed are "diverse human resources" and "development and participation of human resources." Expanding and improving the human capital needed to sustain our *MONOZUKURI RYOKU* is absolutely essential in order for us to fulfill our corporate mission to maintain stable provision of non-ferrous metals. Under the managerial track employees system revised in fiscal 2023, going forward we will promote organizational vitalization through utilization of our internal recruitment system ("Career Up Challenge System") and mid-career hiring. Through these and other steps, we will create a free and open corporate culture whereby diverse human resources can take a vibrant and active part.



Commitment to carrying on the Sumitomo Business Spirit and maintaining awareness toward acquiring social license

The Sumitomo Business Spirit incorporates two core ideas: *jiri-rita*, i.e. bring benefit to oneself and to others, and *koushi-ichinyo*, i.e. what benefits the public interest ultimately also benefits the individual. In essence, they express the belief that Sumitomo's business operations must bring benefit not only to the Company itself but also to the Japanese nation and, even more broadly, to the world as a whole. What these ideas convey has much in common with the "sustainable management" sought throughout society today.

Today, embracing a stance calling for proactive contributions to solving social issues through our business operations is absolutely necessary for the SMM Group if we are to become "the world leader in the non-ferrous metals industry" as etched in our Long-Term Vision. One contribution can be made by helping to address climate change, an urgent issue affecting all mankind. In the years ahead, demand for the non-ferrous metals which the SMM Group produces – copper, nickel, cobalt, etc. – is projected to increase in conjunction with measures for fighting climate change: renewable energy-related facilities, EVs, etc. Today, as excellent mines become fewer in number and securing mineral resources becomes increasingly difficult, the SMM Group has a social obligation to maintain stable supplies of such resources as a way of contributing to the creation of a sustainable society.

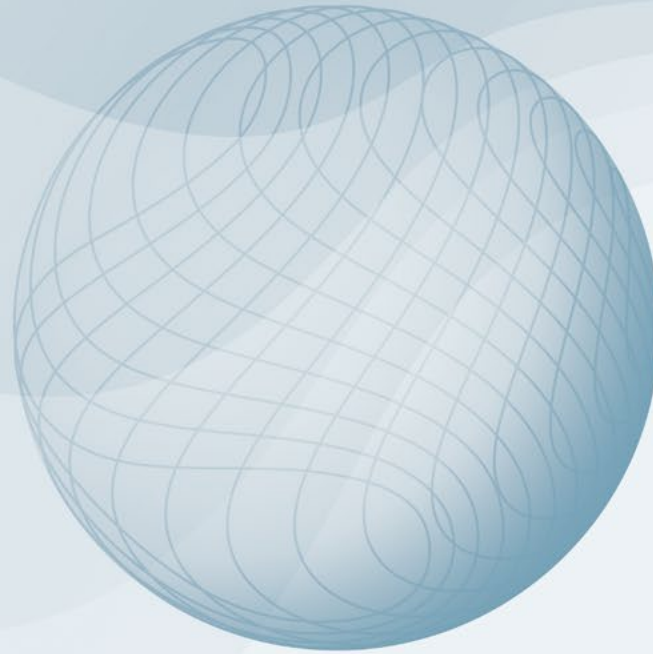
At the same time, because the mineral resources industry necessitates large-scale development, impact on local communities is significant. As such, not only must we do everything conceivable to minimize negative environmental and social impacts during the development phase, before we proceed with a project we must also acquire a social license from the regions affected for what will eventuate after a development project has been termi-

nated. From my experience having been involved in starting up a factory in the Philippines, I know the importance of engaging in dialogue with members of the local communities. The experience made me doubly aware that the SMM Group's business is possible only when understanding and cooperation are received from the regions where mineral resources exist.

Ever since I joined the Company, from my occasional instructions in the Sumitomo Business Spirit and from what I have learned through the years at my worksites, I believe that "co-existence and co-prosperity" with local communities should be the core commitment of our business operations. Today, as dramatic changes take place in the social landscape and our business environment, carrying on "as usual" is not enough. Based on firm recognition of current changes, we must expand our focus to include the need to secure new social licenses that respond to society's evolving demands. I pledge to do precisely this in the performance of my management duties going forward.

From my experience working in the Philippines, I came to feel deeply that what is most important in management is to build solid relationships of social trust throughout the performance of one's business operations. For the SMM Group to grow on a sustained basis, it is indispensable that we win the trust not only of the local communities impacted by our operations but of a broad range of stakeholders. Based on this awareness, I pledge to fulfill our social responsibilities in the performance of my new position.

This Sustainability Report was published to engender broad understanding of the SMM Group's initiatives being undertaken to advance sustainability management. We hope the Report will help deepen our dialogue with our stakeholders and promote working together in initiatives to create a sustainable world.



Sustainability Management

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Sumitomo Metal Mining's Sustainability Management

GRI 2-6/2-22/3-1

The Sumitomo Metal Mining Group has positioned its long-term vision, the material issues toward achieving this, as well as its Vision for 2030 as the courses to be undertaken on the journey to improving its corporate value, and is promoting the implementation of this in the form of sustainability activities.

Long-Term Vision

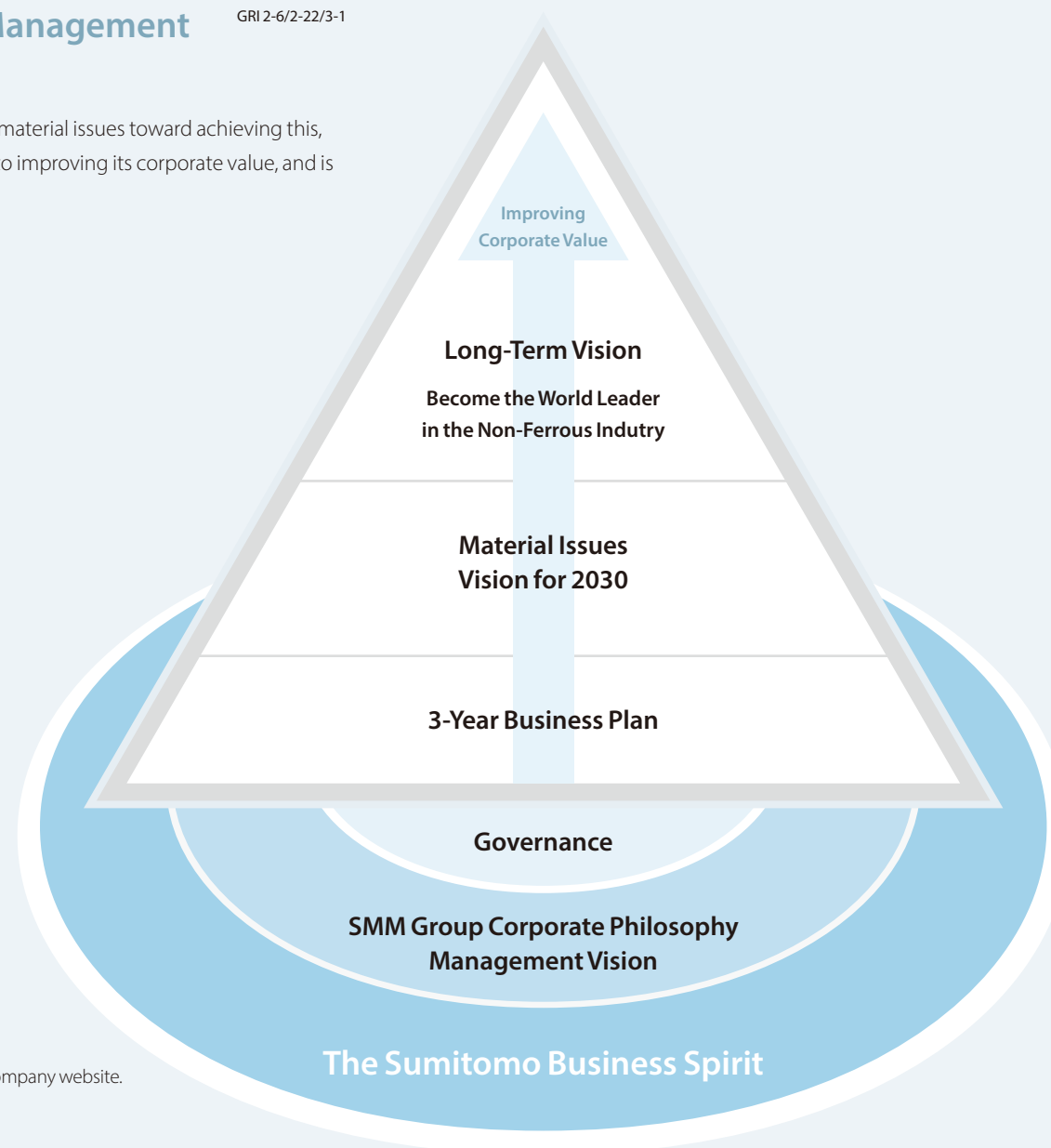
The Group's long-term vision is to: "Become the World Leader in the Non-Ferrous Industry," pursuing the maximization of corporate value as a company capable of contributing to the growth of society both in terms of scale and of revenue.

Material Issues / Vision for 2030


Our perspectives over the medium- to long-term based on the material issues towards achievement of our long-term Vision, and Vision for 2030 to respond to each of these issues. This represents the starting point for the formulation, among others, of our 3-Year Business Plan.

3-Year Business Plan

We establish an understanding of our progress in improving corporate value through the implementation and verification of our 3-Year Business Plan.



For details, see the Integrated Report.

 **Integrated Report 2024**
https://www.smm.co.jp/en/ir/library/integrated_report/

Details including value chain mapping relating to sustainability are available on the Company website.

 **Sumitomo Metal Mining Sustainability Management Framework**
<https://www.smm.co.jp/en/sustainability/approach/>



Long-Term Vision

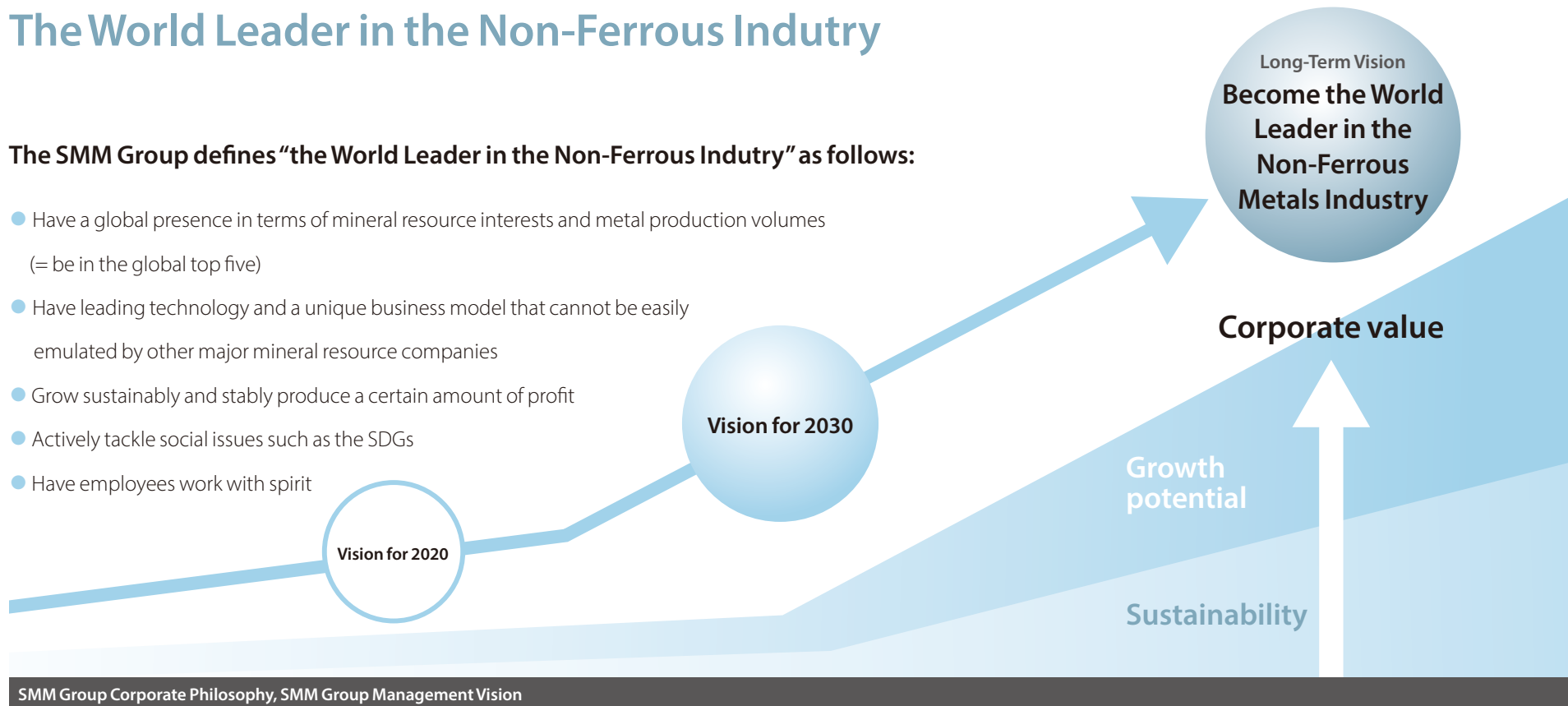
GRI 2-22

Drawing on its corporate philosophy and management vision, the SMM Group will expand its growth potential and sustainability by securing resources and providing non-ferrous metals, battery materials, advanced materials, and other high-quality materials in an effort to enhance its company value and achieve its long-term vision of becoming the the World Leader in the Non-Ferrous Industry

The World Leader in the Non-Ferrous Industry

The SMM Group defines “the World Leader in the Non-Ferrous Industry” as follows:

- Have a global presence in terms of mineral resource interests and metal production volumes
(= be in the global top five)
- Have leading technology and a unique business model that cannot be easily emulated by other major mineral resource companies
- Grow sustainably and stably produce a certain amount of profit
- Actively tackle social issues such as the SDGs
- Have employees work with spirit





Long-Term Vision

Targets of our Long-Term Vision

SMM sets out targets for its mineral resource interests and metal production volumes to demonstrate that we have a global presence as “the world leader in the non-ferrous metals industry,” and have leading technology and a unique business model that cannot be easily emulated by other major mineral resource companies.

Nickel (Ni)

FY2023

Target

Annual production capacity of 81kt ▶ Annual production capacity of 150 kt

Copper (Cu)

FY2023

Target

Annual production interest of 209 kt ▶ Annual production interest of 300 kt

Gold (Au)

New participation in mine operations through the acquisition of superior interest

Materials

FY2023

Target

Annual profit before tax of - JPY7.2 billion ▶ Annual profit before tax of JPY25 billion

Profit

FY2023

Target

Annual profit (annual profit attributable to owners of parent company) of JPY58.6 billion ▶ Annual profit (annual profit attributable to owners of parent company) of JPY150 billion

Long-Term Vision
Become the
World Leader in
the Non-Ferrous
Metals Industry



Vision for 2030

GRI 2-22

Taking the long-term vision as our highest-precedence goal, we formulated and released our Vision for 2030, which specifies in concrete terms details of "What we want to realize and by when," as our milestones towards achieving the business challenges that exist with respect to that goal.

● A company that generates resources through high technological capabilities

The SMM Group is engaged in the mining of natural resources, the production of highly advanced materials, and everything in between. We handle a wide range of non-ferrous metal materials in the process. We believe that it is the SMM Group's responsibility to take on the challenge of making more effective use of limited non-ferrous metal resources without waste through the utilization of resources that could hitherto not be used due to technical obstacles and through the development of recycling technologies.

● A company that actively undertakes climate change countermeasures, by reducing emissions and stably supplying products contributing to a low-carbon society, a future with zero greenhouse gases (GHGs)

Society's demand for companies to reduce greenhouse gas (GHG) emissions is extremely high, and the business risks associated with climate change are also increasing. On the other hand, a stable supply of products contributing to a low-carbon society, such as the secondary battery materials for electric vehicles and the near-infrared absorbing materials, both produced by our Group, are expected to contribute to the reduction of GHG emissions.

● A company that values water resources and biodiversity, and protects the richness of the sea and land

The SMM Group recognizes that there are risks of adverse impacts on the natural environment when developing natural resources and using chemical substances. In addition to preventing significant environmental accidents, we recognize that minimizing our negative environmental impacts, including rationalization of the use of water, and preserving biodiversity in our day-to-day management of operations are prerequisites for business continuity.

● A company where all employees work together with safety the first priority in a comfortable working environment as well as safe facilities and operations

It is the responsibility of management to prevent work-related accidents and illnesses, provide a safe, healthy and comfortable work environment, and strive to improve employee comfort. All of these also lead to greater motivation

and productivity among employees. The SMM Group bases management on job classification, striving to ensure the safety and health of our employees through intrinsic equipment safety improvements and safety education, etc.

● A company where all employees can take a vibrant and active part

The source of the SMM Group's growth is its employees. We respect individuality and diversity, and aim to create an open and vibrant organizational climate in which everyone can demonstrate their strengths and thrive. With the globalization of business and the rapid development of DX, it is a management challenge to develop human resources who can think and act on their own initiative based on their expertise.

● A company that is appreciated and understood to be the World Leader in the Non-Ferrous Industry

● A company that contributes to regional development and earns trust as a member of the local community

● A company that understands and respects the traditions and culture of indigenous peoples

The SMM Group's main premise for business continuity is to earn a social license to operate. To this end, we recognize the importance of promoting information disclosure and transparency to the greatest extent possible, as well as deepening mutual understanding and building relationships of trust through ongoing dialogue with local communities and other stakeholders. In particular, when there is a risk that development may affect the livelihood of indigenous peoples, we gain a thorough understanding of their culture, traditions and history and engage in a continuing dialogue prior to development. It is then necessary to proceed carefully to prevent such impacts of development.

● A company that undertakes sustainable procurement across the supply chain

As for business and human rights, the calls for companies to take strong measures to prevent human rights violations throughout their supply chains are increasing. It is necessary for the SMM Group to construct sustainable supply chains in collaboration with business partners to prevent our business activities from having negative impacts on human rights along our diverse supply chains.



Material Issues and KPIs (Indicators and Goals)

GRI 3-2/3-3

Evaluating and reflecting on our Vision for 2020, and taking societal changes into consideration, we extracted and assessed the material issues that should be addressed up to 2030. We identified them as our 11 material issues and compiled and announced them as KPIs in response to our Vision for 2030.

Relationship with the SDGs

Recognizing the close affinity between the SDGs and our Group's corporate philosophy and vision, we formulated our Vision for 2030 with the SDGs kept firmly in mind. The results of our work to evaluate issues and connect them with SDG targets are shown in the diagram on the right. We set "SDG 12 Responsible consumption and production," as our most important goal, as this goal indicates our approach toward each issues and is directly connected to our management vision.





Material Issues and KPIs (Indicators and Goals)

Material Issues	Approach	Vision for 2030
① Effective Use of Non-Ferrous Metal Resources	<ul style="list-style-type: none"> Explore and develop superior non-ferrous metal resources Effectively utilize recycled materials, low-grade minerals, and high-impurity materials 	<ul style="list-style-type: none"> A company that generates resources through high technological capabilities <ol style="list-style-type: none"> A company that stably provides non-ferrous metals to society A company that contributes to society by effectively using impurities through collaborative, open technological development among industry, academia, and government A company that contributes to the construction and maintenance of recycling systems for non-ferrous metals A company that develops and supplies highly advanced materials that contribute to the resolution of social issues
② Climate Change	<ul style="list-style-type: none"> Improve technology toward transition to and replacement by low-carbon energy, etc. and energy saving Develop and market products contributing to energy saving and low carbon 	<ul style="list-style-type: none"> A company that actively undertakes climate change countermeasures, by reducing emissions and stably supplying products contributing to a low-carbon society, a future with zero greenhouse gases (GHG) emissions
③ Significant Environmental Accidents	<ul style="list-style-type: none"> Strengthen the earthquake resistance and weather resistance of facilities and tailings facilities Prevent industrial accidents that impact the areas where we conduct business 	<ul style="list-style-type: none"> Prevention of industrial accidents impacting areas • A company that values water resources and biodiversity, and protects the richness of the sea and land
④ Biodiversity	<ul style="list-style-type: none"> Reduce discharge of chemical substances into rivers, ocean, and air 	
⑤ Employees' Occupational Health and Safety	<ul style="list-style-type: none"> Ensure safe workplace environments Ensure hygienic workplace environments Ensure healthy workplace environments 	<ul style="list-style-type: none"> A company where all employees work together with safety first as the priority in a comfortable working environment with safe equipment and operations
⑥ Diverse Human Resources	<ul style="list-style-type: none"> Promote diversity 	<ul style="list-style-type: none"> A company where all employees can take a vibrant and active part <ol style="list-style-type: none"> A company that respects the humanity of each and every employee, and where employees feel pride, motivation, and joy in work A company that provides each and every employee with opportunities to improve his/her capabilities, and grows together with employees
⑦ Development and Participation of Human Resources	<ul style="list-style-type: none"> Skill development, education, and training for employees 	
⑧ Engagement with Stakeholders	<ul style="list-style-type: none"> Establish open communication with stakeholders Branding to shareholders, investors, customers, local communities, and employees 	<ul style="list-style-type: none"> A company that is appreciated and understood to be the World Leader in Non-Ferrous Metals Industry
⑨ Co-Existence and Mutual Prosperity with Local Communities	<ul style="list-style-type: none"> Plan and implement measures to avoid or minimize adverse impact on the economic lives and living environment of local residents 	<ul style="list-style-type: none"> A company that contributes to regional development and earns trust as a member of the local community
⑩ Rights of Indigenous Peoples	<ul style="list-style-type: none"> Respect the cultural, economic, and social rights of indigenous peoples 	<ul style="list-style-type: none"> A company that understands and respects the traditions and culture of indigenous peoples
⑪ Human Rights in the Supply Chain	<ul style="list-style-type: none"> Confirm that partners, suppliers, and subcontractors are not involved in child labor or forced labor 	<ul style="list-style-type: none"> A company that undertakes sustainable procurement across the supply chain



Material Issues and KPIs (Indicators and Goals)

1 Effective Use of Non-Ferrous Metal Resources

+ Progress as planned - Less progress than planned

Vision for 2030

A company that generates resources through high technological capabilities

	Indicators	Goals	Progress
	1. 1) Advance copper mine projects	<ul style="list-style-type: none"> Strengthen production structure at JV mines to achieve and maintain copper production levels of 300 kt/year from interests Achieve steady copper production level by reinforcing exploration of surrounding and deep areas in JV mines, expanding mineral processing technology, and improving operations leveraging IoT and AI Advance Phase 2 and later projects at the Quebrada Blanca Copper Mine 	-
	2) Acquire new superior copper and gold resources	<ul style="list-style-type: none"> Develop new mines for which we have operatorship 	+
	3) Improve productivity by introducing new technology	<ul style="list-style-type: none"> Promote remote operation and unmanned operation of heavy machinery and information infrastructure equipment inside and outside of the Hishikari Mine 	+
	4) Advance nickel ore projects and improve productivity	(1) Nickel production: 150 kt/year (2) Recovery rate compared to FY2018: +2% (3) Recovery of scandium by-product (4) Recovery of chromite by-product	(1) ... + (2) ... + (3) ... - (4) ... -
	KPI	2. 1) Develop technology to separate, stabilize and bleed off impurities, and create value from impurities generated by smelting processes and mines	+
		2) Develop technology to create value from unused non-ferrous metal resources	+
		3) Recover non-ferrous metals from hard-to-process resources	+
		3. Demonstrate and commercialize automobile secondary battery recycling technology	+
		4. 1) Leverage our strengths to create new products and new businesses that contribute to society	+
		2) Hold raw materials in-house for favorable and stable procurement	-
		3) Expand sales of low-cost battery cathode materials through favorable, stable procurement of our own nickel raw materials	+



Material Issues and KPIs (Indicators and Goals)

2 Climate Change

+ Progress as planned - Less progress than planned

Vision for 2030 A company that is actively working to reduce emissions and undertakes climate change countermeasures including stable supply of products with low-carbon footprints, to achieve zero greenhouse gas (GHG) emission			
	Indicators	Goals	Progress
KPI	Reduce GHG emissions	1. Reduce GHG emissions by over 38% (in Japan, 50% or more and overseas, 24% or more) compared to FY2015 and conduct measures to achieve net zero GHG emissions by 2050. 2. Cut GHG emissions intensity by at least 26% compared to FY2013 ¹ 3. Expand products with low-carbon footprints to contribute to reduction of GHG emissions: 600 kt-CO ₂ or more	1. + 2. - 3. +

3 Significant Environmental Accidents 4 Biodiversity

Vision for 2030 A company that values water resources and biodiversity, and protects the richness of the sea and land			
	Indicators	Goals	Progress
KPI	1. Zero significant environmental accidents	1) Promote improvements through the use of risk management and environmental management systems 2) Reinforce and improve equipment and infrastructure to address increases in sources of natural hazard	1) + 2) +
	2. Reduce emissions of hazardous substances (year-on-year)	1) Optimize water use; reduce emissions of hazardous substances to the atmosphere and water 2) Promote various environmental preservation and biodiversity preservation activities, such as regular reforestation	1) + 2) +

5 Employees' Occupational Health and Safety

Vision for 2030 A company where all employees work together with safety first the priority in a comfortable working environment as well as safe facilities and operations			
	Indicators	Goals	Progress
KPI	1. Prevent occupational accidents	Serious accidents: zero (in Japan and overseas, including contractors) All accidents: reduce year-on-year, with aim of eventually reaching zero	-
	2. Prevent occurrence of occupational diseases	Number of workplaces that present higher health risks: reduce year-on-year Occurrence of occupational diseases: zero	-



Material Issues and KPIs (Indicators and Goals)

6 Diverse Human Resources 7 Development and Participation of Human Resources

+ Progress as planned - Less progress than planned

Vision for 2030 A company where all employees can take a vibrant and active part			
	Indicators	Goals	Progress
KPI	1. Promote working style reform and create workplaces that make use of digital technology, enabling diverse human resources to play vibrant and active roles	1) Improve scores for "Management by managers and superiors," "Appeal of job," and "Work environment" in employee awareness survey 2) (1) Number of female managers: 50 (SMM) (2) Ratio of female employees: 20% or higher (SMM) 3) Expand number of managerial track employees of foreign nationality 4) Percentage of employees with disabilities: 3% or higher (SMM) 5) Assign jobs and provide support matched to employees' life stages	1) - 2) + 3) - 4) + 5) +
	2. Support employees' mental and physical health	1) Reduce the number of employees taking long-term leave 2) Percentage of employees with abnormal findings indicated in health checkups: 50% or lower	1) - 2) +
	3. Diversify opportunities to enhance the abilities of employees according to employee needs and work needs	1) Utilize one-on-one meetings that bring out the motivation and potential of every employee and boost the growth of subordinates through regular dialogues between superiors and subordinates 2) Reconstruct the human resources development program (in-house education, external education, etc.) to provide opportunities to employees to enhance their abilities in line with their roles 3) Provide opportunities for self-development matched to each employee's life plans and needs (correspondence courses, online training, etc.)	1) + 2) + 3) -

8 Engagement with Stakeholders

Vision for 2030 A company that is appreciated and understood to be the World Leader in the Non-Ferrous Industry			
	Indicators	Goals	Progress
KPI	1. Further penetrate our Group brand among employees	● Improve results of employee awareness survey (increase ratio of employees who feel pride in working at the Company)	-
	2. Increase in recognition and understanding of information and dialogue at the level of "world leader in the non-ferrous metals industry"	● Expand opportunities for dialogues with media and investors ● Achieve positive evaluations of our Integrated Report from outside the Company	+
	3. Increase in recognition and understanding of our goal to become the "world leader in the non-ferrous metals industry" and gain support	● Make better results of surveys by external bodies (degree of recognition and understanding, etc.)	+



Material Issues and KPIs (Indicators and Goals)

9 Co-Existence and Mutual Prosperity with Local Communities

+ Progress as planned - Less progress than planned

Vision for 2030

A company that contributes to regional development and earns trust as a member of the local community

	Indicators	Goals	Progress
KPI	Participate in local communities through dialogue and collaboration	Accurately identify local issues through dialogues with local communities, and execute measures 1. to 5. as follows	+
	1. Support the local community via employee participation	● Implement employee participation programs (from 2023)	+
	2. Hire and procure locally	● Continually implement and assess of performance	+
	3. Support for nurturing of the next generation	1) Implement programs to nurture the next generation in collaboration with government, local bodies, NPOs, etc. (one or more times/year) 2) Establish and award scholarships in Japan and maintain existing overseas scholarships (from 2023)	1) + 2) +
	4. Support for people with disabilities and the elderly	● Implement programs to support people with disabilities and the elderly in collaboration with government, local bodies, NPOs, etc. (one or more times/year)	+
	5. Support during and after disasters	● Support regions affected by large-scale disasters	+

10 Rights of Indigenous Peoples

Vision for 2030

A company that understands and respects the traditions and culture of indigenous peoples

	Indicators	Goals	Progress
KPI	1. Understand indigenous peoples and their traditions and culture	● Percentage of SMM Group sites implementing in-house education: 100% by the end of FY2023	+
	2. Support initiatives that lead to respect for the traditions and cultures of indigenous peoples	1) Provide scholarships for indigenous peoples (continue existing initiatives) 2) Support indigenous people-related initiatives by NGOs, academic societies, etc.: one initiative or more each year	1) + 2) +



Material Issues and KPIs (Indicators and Goals)

11 Human Rights in the Supply Chain

+ Progress as planned - Less progress than planned

Vision for 2030		A company that undertakes sustainable procurement across the supply chain	
	Indicators	Goals	Progress
KPI	Promote sustainable procurement, particularly responsible mineral sourcing	1. Responsible mineral sourcing	
		1) Establish a responsible mineral sourcing management system in line with international standards by the end of FY2021	1.1) +
		2) Maintain a record of zero mines, smelters, and refineries complicit in child labor or other infringements of human rights in the supply chain	1.2) +
		2. Sustainable procurement	
		1) Business partners that have received and agreed with the Sumitomo Metal Mining Group Sustainable Procurement Policy: 100% by the end of FY2030	2.1) -
		2) Establish a sustainable procurement management system in line with international standards by the end of FY2024	2.2) -
		3) Continue implementing due diligence (DD)	2.3) +

From FY2023 into FY2024 we are carrying out a review of the material issues, the Vision for 2030, and the KPIs

Vision for 2030 (Planning Process)

GRI 3-1

In formulating our Vision for 2030, we conducted studies in consideration of issues that we had not been able to solve in Vision for 2020, changes in the needs of stakeholders, changing trends in the materials industry with the rapid advance of digitalization, and connections to the SDGs.

STEP 1	<p>Identification of sustainability Issues</p> <p>From April 2018, having summarized outlooks for conditions in 2030 by the OECD and other organizations and international guidelines such as ICMM guidelines and GRI Standards, and having identified 89 sustainability issues, we worked to connect these issues with closely related SDG targets.</p>
STEP 2	<p>Identification of material issues through evaluation of the materiality of sustainability issues</p> <p>To extract material issues from the identified 89 issues, from October 2018 we began evaluations on two axes: evaluation by CSR subcommittees from social perspectives and evaluation by business divisions from business perspectives.</p> <p>As standpoints for evaluation, we set three points—(1) degree of impact on society, (2) risks that threaten to increase if not actively addressed, and (3) opportunities gained if actively addressed—and evaluated these on a five-step scale.</p> <p>We further held study sessions for a total of 21 young managerial track employees in general positions and 20 factory leaders in the Besshi District, and used their opinions as references in examinations by the CSR subcommittees.</p>
STEP 3	<p>Examination of the Vision and KPIs</p> <p>From April 2019, we began examination of the Vision and of specific KPIs in CSR subcommittees corresponding to the 11 material issues. In July 2019, based on the examination by the CSR subcommittees, we held deliberations by officers, and carried out final examinations through the CSR Committee (chaired by the president).</p>
STEP 4	<p>Formulation and announcement of Vision for 2030</p> <p>In December 2019, the CSR Committee convened to issue its approval of Vision for 2030 and its KPIs, which, following resolution by the Board of Directors, led to formulation and announcement of the Vision in March 2020.</p>

Key Learnings from the Review of Vision for 2020

The first learning from the review of Vision for 2020 is about the rapid progress made in the digitalization of society. In this trend, metallic materials, such as copper and nickel, and highly advanced materials have come to fulfill a more important role. The second learning concerns such social requirements as human rights issues in mineral procurement and the avoidance of involvement in human rights violations through the supply chain. Furthermore, we realized that the active tackling of various social issues, such as the SDGs, is essential in the growth strategy of each business.

Major Trends in the Materials Industry

- Metallic materials and highly advanced materials will play an important role in technological innovations and energy transition toward the rapid advancement of digitalization, such as IoT and CASE, and the realization of a decarbonized society.

The Key Factor for Business Continuity and Sustained Growth

- In response to the heightened social requirement to avoid involvement in human rights issues in mineral procurement and human rights violations through the supply chain, our Group, which is a resource company, has a responsibility to proactively tackle such issues.
- Proactively tackling various social issues, such as the SDGs, through CSR and TCFD is essential for achieving the growth strategies of the resource and smelting businesses.

Approach to Formulation of Vision for 2030

In the review, unlike the Vision for 2020, we extracted, evaluated, and selected important issues by including the perspective of not only sustainability challenges but also management issues. In formulating Vision for 2030 relating to each important issue, while forecasting changes in social requirements going forward, we backcasted from our long-term vision, and management goal, of becoming the world's leader in the non-ferrous metals industry and set the Vision for 2030 as a milestone for the year 2030 in the realization of our long-term vision.

In the evaluation, we rated 89 issues using a five-level scale from a social viewpoint and a business viewpoint.

Evaluation viewpoints ● Degree of impact on society ● Increased risk if not actively addressed ● Opportunities gained by active engagement

Identification of 11 issues as material issues of importance to both society and business



3-Year Business Plan

Under the theme of RENEWED CHALLENGE FOR CHANGE, we are striving toward achieving our long-term vision and targets, and have outlined our ongoing initiatives to rise to the challenge of aptly responding to accelerating changes in the social environment as our "4 Challenges."

2021 3-Year Business Plan FY2022–2024

Long-Term Vision	Become the World Leader in the Non-Ferrous Metals Industry
Plan	<p>The 4 Challenges in the 2021 3-Year Business Plan</p> <div> <p>1 Increasing corporate value—Promotion of large-scale projects</p> <ul style="list-style-type: none"> Expanding production capacity for battery cathode materials Quebrada Blanca 2 project Cote gold mine development project </div> <div> <p>2 Improving core business sustainability</p> <ul style="list-style-type: none"> 3-biz collaboration to strengthen the value chain for Ni-batteries Shifting Hishikari Mine to sustainability-oriented operation Enhancing competitiveness of copper-smelting business Strategy for advanced materials business expansion </div> <div> <p>3 Adapting to changes in the social environment</p> <ul style="list-style-type: none"> Reducing greenhouse gas (GHG) emissions Addressing carbon neutrality DX promotion and DX human resources development Securing, fostering and utilizing human capital </div> <div> <p>4 Strengthening the foundation of business management</p> <ul style="list-style-type: none"> Strengthening safety initiatives Reorganizing and enhancing sustainability promotion framework Corporate governance </div>
Resource allocation	<ul style="list-style-type: none"> Financial strategy (maintain an equity ratio of 50% or higher) Funding (with consideration to market conditions) Investment (capital investment plan FY2023: JPY494 billion) Return to shareholders (Consolidated dividend payout ratio of 35% or higher; DOE lower limit indicator of 1.5%)

Sustainability Management Framework

Sustainability Management Framework

GRI 2-12/2-13/2-14/2-24

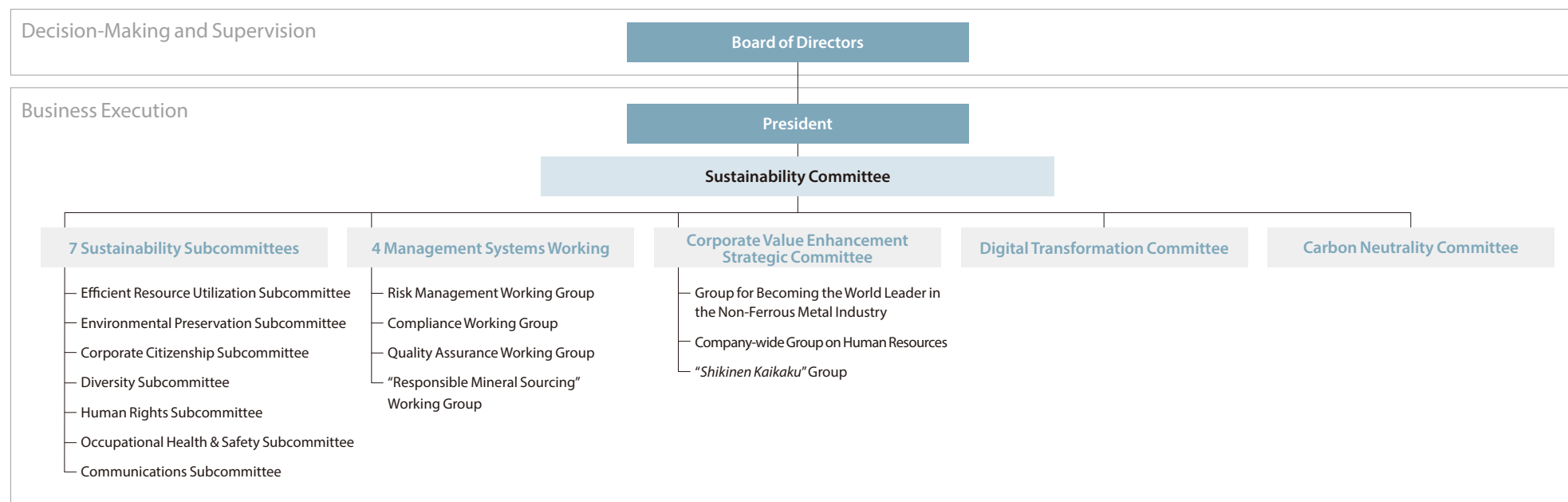
Our Group advances sustainability activities primarily through our Sustainability Committee. Since setting out our Vision for 2020 in 2008, we have consistently undertaken solutions to social issues through our business. In April 2022, we reorganized our sustainability management framework with the aim of engaging in management and sustainability with greater consistency. While the Sustainability Committee is still chaired by the President, a committee framework to facilitate more consistent promotion has been adopted, with management and sustainability increasingly integrated, including having the Executive Officer in charge of sustainability (executive officer in charge of the Corporate Planning Department) serve as Deputy Chair.

GRI 2-22/2-23

Sumitomo Metal Mining Group Sustainability Policy

The SMM Group will tackle management issues that contribute to society's sustainable development, and will strive to achieve continuous growth in our business and improve our corporate value.

Sustainability Management Framework



Sustainability Management Framework

■ Sustainability Committee

Chair	President
Deputy Chair	Executive officer in charge of sustainability (executive officer in charge of the Corporate Planning Department)
Members¹	General Managers of Divisions, General Managers of Administration Departments, General Manager of the Technology Division, General Manager of the Planning & Administration Department of the Technology Division, General Manager of the Engineering Division, General Manager of the Facilities Technology Department of the Engineering Division, heads of operational divisions in the Head Office 1 The Chairman of the Board, outside directors, and Audit & Supervisory Board members attend as observers.
Secretariat	Sustainability Department and Corporate Planning Department
Number of times	Convened two or more times per year (three times in FY2023)
Content of deliberations	<ul style="list-style-type: none"> ● Deliberation on revision or abolition of material issues, Vision for 2030, and the Sustainability Policy ● Deliberation and decision-making concerning important items related to annual plans and other sustainability promotion activities, and indicators for evaluating our level of achievement toward Vision for 2030 ● Regular evaluation of sustainability promotion activities reflecting issues and opinions obtained through engagement with stakeholders, and invoking of corrective measures ● Provision of information on sustainability promotion activities, exchanges of information, explanation of key measures, sharing of awareness, and setting of important themes related to sustainability activities
Main results in FY2023	<ul style="list-style-type: none"> ● Deliberations on the formulation of the SMM Group Water Policy ● Deliberations on a roadmap to carbon neutrality by 2050, and related matters ● Deliberations on necessity, or otherwise, to revise the material issues, Vision, and KPIs
Board of Directors	<ul style="list-style-type: none"> ● Supervisory functions related to sustainability activities ● Deliberation, decision-making, and approval concerning sustainability activities, progress reports, evaluation of performance, review of activity plans for the following fiscal year, etc. <p>In FY2023, the Board of Directors deliberated and resolved matters including establishment of the SMM Group Water Policy.</p>

■ 7 Sustainability Subcommittees

Our 7 Sustainability Subcommittees manage progress toward Vision for 2030 and engage in sustainability activities integrated with our businesses.

■ 4 Management Systems Working Groups

The Risk Management Working Group, Compliance Working Group, Quality Assurance Working Group, and "Responsible Mineral Sourcing" Working Group play roles in operating our Group's major management systems across organizations and in strengthening our management foundations. Each working group formulates policies in line with its theme and conducts checks of progress toward achieving its activity plans.

■ Corporate Value Enhancement Strategic Committee

We have established the Corporate Value Enhancement Strategic Committee to grow the SMM Group's business sustainably and enhance our corporate value. To further ensure the achievement of this objective, we have established the Group for Realizing the World Leader in the Non-Ferrous Metal Industry, the Company-wide Group on Human Resources, and the "*Shikinen Kaikaku*" Group as subordinate organizations.

Chair	Executive officer in charge of the Corporate Planning Department
Deputy Chair	General Manager of the Corporate Planning Department
Members	General managers, senior deputy general managers of divisions, General Manager of the Technology Division, General Manager of the Engineering Division, General Manager of the Legal Department, General Manager of the Human Resources Department, General Manager of the Finance & Accounting Department
Secretariat	Corporate Planning Department
Number of times convened	Two or more times per year (two times in FY2023)
Content of deliberations	<ul style="list-style-type: none"> ● Deliberation on candidates for new large-scale projects ● Selection of "seeding" projects as candidates for new large-scale projects ● Reporting on the progress of large-scale projects, from the "planting" stage to the "harvesting" stage ● Instruction to the Group for Realizing the World Leader in the Non-Ferrous Metal Industry, the Company-wide Group on Human Resources, and the "<i>Shikinen Kaikaku</i>" Group regarding examination of matters specified as issues

Sustainability Management Framework

Digital Transformation Committee

The committee was established in April 2021 to clarify the future vision of Digital Transformation (DX) that our Group should aim for and to maximize the contribution to management through Group-wide promotion of DX.

Chair	Executive officer in charge of Digital Transformation (Executive officer in charge of the Technology Division)
Deputy Chair	General Manager of the Digital Transformation Department
Members	General managers of divisions, executive officers in charge of corporate divisions, Executive officer in charge of the Safety & Environment Control Department, Executive officer in charge of the Quality Assurance Department, General Manager of the Technology Division, General Manager of the Engineering Division, General Manager of the Corporate Planning Department, General Manager of the Human Resources Department, General Manager of the Information Systems
Secretariat	Digital Transformation Department
Number of times convened	Two or more times per year (two times in FY2023)
Content of deliberations	<ul style="list-style-type: none"> ● Drafting of DX promotion policy and deliberation on material issues ● Deliberation and decision-making on fiscal year plans for DX promotion activities and other key matters ● Regular evaluation of DX promotion activities and invoking of corrective measures ● Provision of information on DX promotion, exchanges of information, explanation of key measures, and sharing of awareness ● Other key issues related to DX promotion activities

Carbon Neutrality Committee

This committee was established in April 2022 to set a clear policy and path toward achievement of the carbon neutrality that our Group should pursue, and to quickly and powerfully move forward in this pursuit.

The basic principle is that each business division, and each organization related to carbon neutrality, should work together with the aim of having all parties involved actively engage in activities.

Chair	Executive officer in charge of carbon neutrality (Executive officer in charge of the Technology Division)
Deputy Chair	Executive officer in charge of the Safety & Environment Control Department
Members	General managers of divisions, General Manager of the Technology Division, General Manager of the Engineering Division, General Manager of the Safety & Environment Control Department, General Manager of the Corporate Planning Department, General Manager of Public Relations & Investor Relations Department, General Manager of the Finance & Accounting Department, General Manager of Purchasing Department and General Manager of Besshi-Niihama District Division
Secretariat	Energy & Green Transformation Department

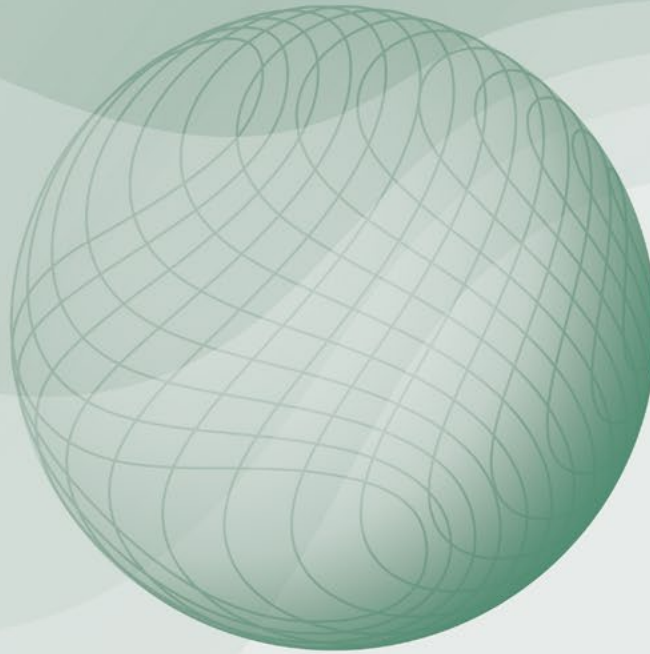
Number of times convened	Two or more times per year (four times in FY2023)
Content of deliberations	<ul style="list-style-type: none"> ● Drafting of company-wide policy, goals, and roadmap for the achievement of carbon neutrality, and deliberation on material issues ● Deliberation and decision-making on fiscal year plans and other key matters related to carbon neutrality promotion activities ● Regular evaluation of carbon neutrality promotion activities, review of goals, and invocation of corrective measures ● Provision of information on carbon neutrality promotion, exchanges of information, explanation of key measures, and sharing of awareness ● Deliberation and decision-making on other key issues related to carbon neutrality promotion activities

Penetration of Sustainability Promotion Activities

GRI 2-24

For Vision for 2030 and other sustainability promotion activities, we distribute simple, illustrated booklets with specific examples of activities to all Group employees, and post interviews and columns on specific activities in our in-house magazines and on our portal site. We also conduct education (including e-learning) on sustainability in annual training (new employee training, mid-career hire training, grade-specific training, selective training, etc.).

In conjunction with the adoption of the Sustainable Development Goals (SDGs) by the United Nations General Assembly in September 2015, we have also set every September as a month for thinking about the Sumitomo Metal Mining Group's Vision for 2030. In September, we also engage in awareness activities such as communicating messages from top management and conveying our progress toward Vision for 2030 to employees in a concise manner.



Environment

- 25 **Effective Use of Non-Ferrous Metal Resources**
- 29 **Climate Change**
- 39 **Significant Environmental Accidents / Biodiversity**
- 50 **Environmental Data**

Effective Use of Non-Ferrous Metal Resources

Approach and Policy

GRI 3-3

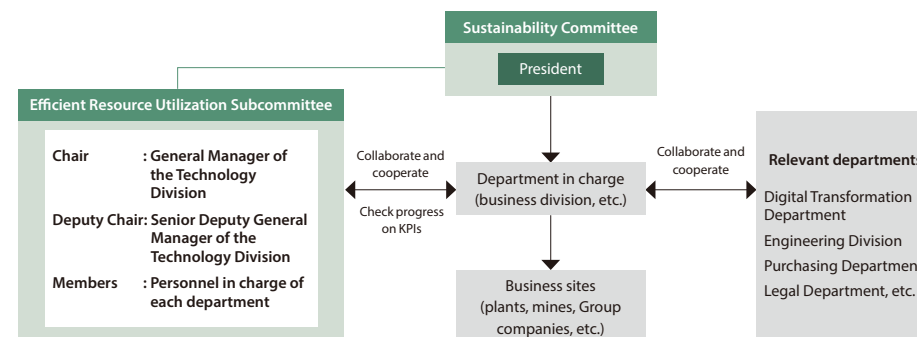
Non-ferrous metal resources see wide use in fields connected to the resolution of social issues such as climate change. By making effective use of finite non-ferrous metal resources without waste, we are contributing to achieving a sustainable society. Our Group uses our production capabilities as a foundation for carrying out research and development that includes collaboration with external parties, and works to enhance our technological capabilities related to product creation. We strive to stably supply non-ferrous metal resources, create value from unused resources, and utilize technologies for recovering and recycling hard-to-process resources.

Management Framework

As the effective use of non-ferrous metal resources is one of our material issues, KPIs and specific measures are often consistent with business strategies, these activities are led by business divisions. The business divisions collaborate with the Efficient Resource Utilization Subcommittee and relevant departments to engage in activities aimed at achieving our KPIs and Vision for 2030.

The Efficient Resource Utilization Subcommittee, which has the Technology Division as its secretariat, performs progress management and support for the activities of the business units. Because the Technology Division plays a large role in providing support for technical aspects, our support structure integrates this division with the subcommittee.

Management Framework Chart



Effective Use of Non-Ferrous Metal Resources

Realizing a Stable Supply of Non-Ferrous Metal Resources

Advance Copper Mine Projects and Acquire New Superior Resources

We are working to reinforce the production structures of joint venture mines to achieve and maintain an annual copper production level of 300 kt from copper mining interests. In FY2023, we started copper concentrate production at the Quebrada Blanca copper mine development project in Chile, which we are undertaking in collaboration with Sumitomo Corporation and Canada-based Teck Resources Limited, a major resource company. In combination with the Morenci Copper Mine in the United States, the Cerro Verde Copper Mine in Peru, and other mines, total copper production in FY2023 was 209 kt.

In FY2023, we also made a strategic investment in FPX Nickel Corp. of Canada, which is currently developing awaruite ore as part of its new nickel ore resource exploration, to acquire new superior resources and develop new mines for which we hold operatorship.

Advance Nickel Ore Projects and Recovery of By-Products

We are working to develop technologies and improve processes in order to expand production volumes so that we can achieve total annual nickel production of 150 kt. In April 2024, we decided to participate in a new project with Mitsubishi Corporation, the Goongarrie Hub of the Kalgoorlie Nickel Project in Australia, which is wholly-owned by Ardea Resources Limited of Australia.

Meanwhile, Taganito HPAL Nickel Corporation is recovering the minute amounts of scandium and chromite contained in nickel ore and achieved record high production volume for chromite in FY2023.

Contributions to a Circular Economy

Battery Recycling

As automobiles undergo what is expected to be a rapid and long-term shift to electric drive and battery capacity becomes increasingly higher, demand is growing for the copper, nickel, cobalt,

and lithium used in lithium-ion secondary batteries (LIBs) for electric vehicles, leading to calls for effective resource recycling.

Since 2017, SMM has been recovering and reusing the copper and nickel contained in LIBs through a process that combines the pyrometallurgical copper smelting processes of the Toyo Smelter & Refinery and the hydrometallurgical refining processes of the Niihama Nickel Refinery.

The recovered nickel is processed into a secondary battery cathode material at the Isoura Plant, which has allowed us to realize Japan's first "battery to battery" horizontal recycling using materials recovered from used LIBs. SMM's LIB recycling process facilitates efficient processing of used LIBs with high impurity content using our unique technologies combining pyrometallurgical smelting and hydrometallurgical refining.

In 2022, through joint development with Kanto Denka Kogyo Co., Ltd., we established technology that recycles lithium from slag containing lithium into high-purity compounds, successfully developing a new process for horizontal recycling of copper, nickel, cobalt, and lithium.

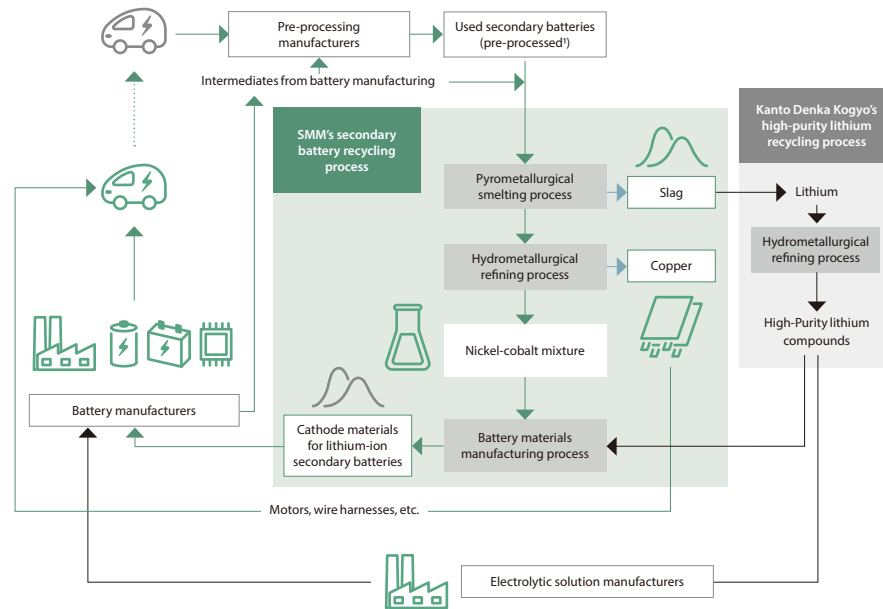
In 2024, we have decided to construct recycling plants to recover copper, nickel, cobalt, and lithium from used LIBs and other materials on the grounds of the Toyo Smelter & Refinery and the Niihama Nickel Refinery. Construction of the plants is scheduled to start in FY2024 (from April 2024 to March 2025) and be completed in June 2026. The capability of the facilities at the plants, which means the volume of raw material can be processed, is planned to be the equivalent of approximately 10,000 tons of LIB cells per year.

Their design takes into account handling the expecting future increase in used LIB and the metal recovery rate and recycled material inclusion rate defined in EU Battery Regulation in force since August 2023. The plants also incorporate the company's own technology for suppressing CO₂ emissions, and it shall undertake further technology development and optimization with the goal of reducing its carbon footprint.

Additionally, in conjunction with the construction of the plants, we signed partnership agreements with leading recycling companies to establish a supply chain for used LIB recycling. With this as a spur, we will work with our partners and accelerate studies of a collection system for used LIB. We shall continue with initiatives toward establishing an LIB recycling system and shall contribute to the achievement of a sustainable circular economy.

Effective Use of Non-Ferrous Metal Resources

Recycling Flow



1 Pre-processing: Heat treatment to eliminate toxins, crushing, and selection

Other Recycling Initiatives

GRI 301-2

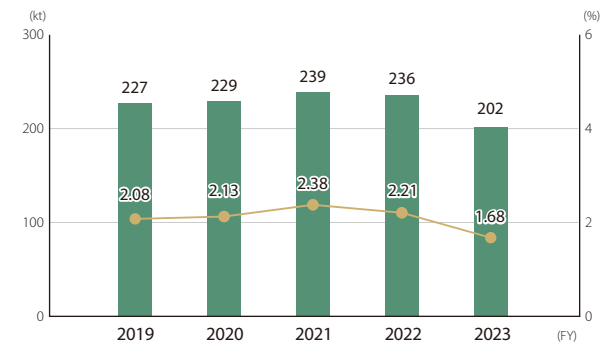
Procurement and Use of Recycled Input Raw Materials

The SMM Group procures copper scrap and precious metal scrap from the market, recovers zinc from electric arc furnace dust, and recovers valuable and precious metals from used printed circuit boards and other sources. In FY2023, our percentage of recycled input raw materials used was approximately 202 kt, accounting for 1.68% (2.21% in FY2022) of input raw materials, a slight drop from the previous fiscal year. Production volume of electrolytic copper from recycled raw materials was approximately 76 kt, accounting for 20.2% (20.9% in FY2022) of production volume, a slight drop from the previous fiscal year.

Percentage of Recycled Input Raw Materials Used ▶ P.50

Percentage of Recycled Input Raw Materials Used¹

■ Recycled materials (left axis) ● Percentage of recycled input raw materials used (right axis)



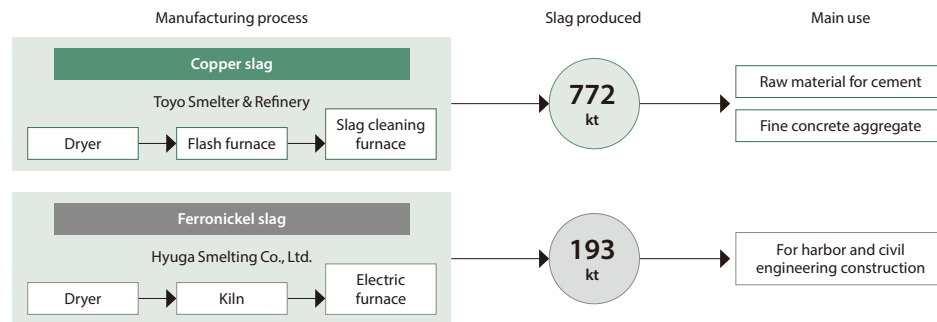
1 Percentage of recycled input raw materials used: Total raw materials used ÷ recycled materials x 100

Effective Use of Non-Ferrous Metal Resources

Effective Use of Slag as a Recycled Copper Raw Material

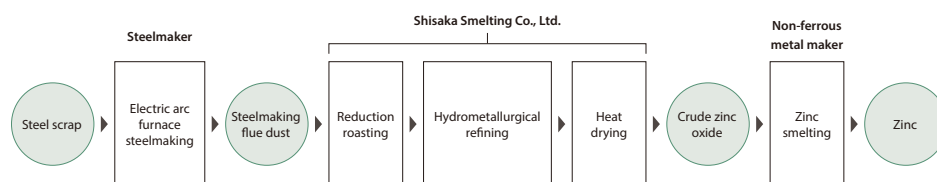
Copper slag is a by-product produced during smelting at the Toyo Smelter & Refinery, which manufactures electrolytic copper. The main use for copper slag (80% of the total volume) is cement production for Japan and overseas. With an iron content of about 40%, copper slag is widely used as a source of iron for cement.

The ferronickel slag produced as a by-product at Hyuga Smelting Co., Ltd., which manufactures ferronickel used as a raw material for stainless steel, is mainly used for harbor and civil engineering construction.



Zinc Recovery from Steelmaking Flue Dust

Shisaka Smelting Co., Ltd., a Group company, is using steelmaking flue dust produced by electric arc steelmaking furnaces as the main raw material for recovering zinc (crude zinc oxide). The steelmaking flue dust is reduced and roasted with coke and other materials, and then dust with volatilized zinc undergoes hydrometallurgical refining and is heat dried to remove impurities and recover the zinc.



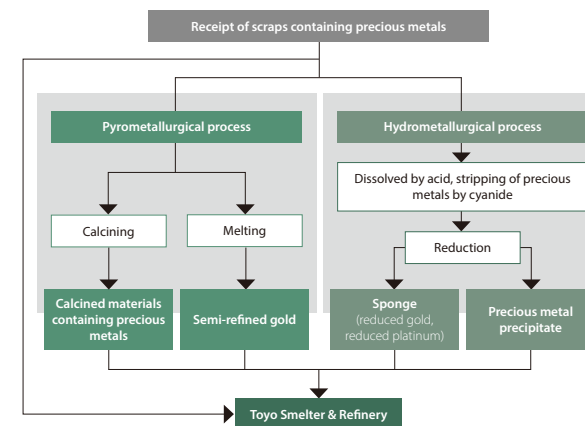
Precious Metal Recovery

Discarded household appliances and discarded electronic parts collected nationwide, and E-scrap containing high concentrations of gold, silver, copper, palladium, and other valuable metals generated in the manufacturing of these appliances and parts, provide SMM with raw materials for the recovery and recycling of precious metals (gold, silver, platinum, etc.).

After sorting the collected raw materials into parts that contain precious metals and those that do not, the SMM Group company Ohkuchi Electronics Co., Ltd. uses the pyrometallurgical or hydrometallurgical process, depending on the composition and other aspects of the parts, to condense the materials before transporting them to the Toyo Smelter & Refinery.

The Toyo Smelter & Refinery smelts and refines those condensed raw materials along with other copper and precious metal raw materials, and then recycles them into high-grade precious metals.

Precious Metal Recovery Flow Diagram



Climate Change

Approach and Policy

GRI 3-3

We are committed to contributing to mitigating climate change by reducing global GHG emissions. We will do this by reducing absolute emissions and emissions intensity through operational improvements and technological innovation, as well as expanding our business through the development of products contributing to a low-carbon society, such as battery materials and near-infrared absorbing materials.

Management Framework

GRI 3-3

The Carbon Neutrality Committee and the Technology Division

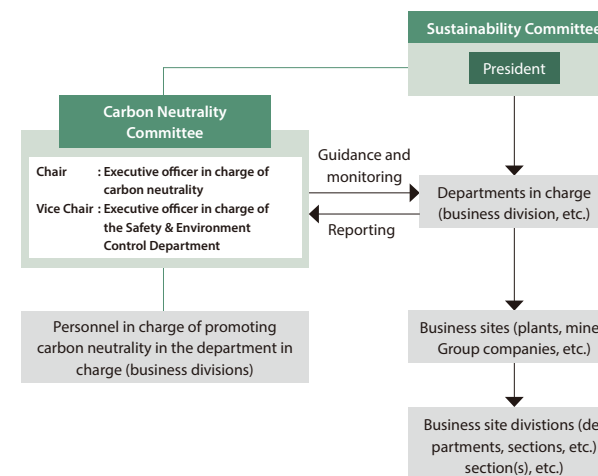
Regarding climate change, which is a material issue, we established and operate the Carbon Neutrality Committee under the Sustainability Committee to formulate policies, targets, and plans for achieving our vision, deliberate on material issues and projects subject to the Internal Carbon Pricing (ICP) program, and share external information (guidelines of affiliated organizations, international trends, regulatory revisions, etc.). The Technology Division, which serves as the secretariat for the Carbon Neutrality Committee, is a functional guidance department that undertakes measures through collaboration and cooperation with individual departments including collecting performance data and developing case studies.

Individual business divisions and business sites set their own targets based on the overall policies and targets established by the Carbon Neutrality Committee and take action to address climate change through environment management systems and other means.

Carbon Neutrality Committee ▶ P.23

Environmental Management System ▶ P.40

Management Framework Chart



Disclosures Pursuant to the TCFD

GRI 3-3

In February 2020, we became a supporter of the Task Force on Climate-related Financial Disclosures (TCFD). In the Vision for 2030, which was formulated and released in March 2020, we declared the SMM is “a company that actively undertakes climate change countermeasures, by reducing emissions and stably supplying products contributing to a low-carbon society, a future with zero greenhouse gases (GHGs)” and listed climate change as a material issue, and we are reinforcing disclosure of climate change-related information in accordance with the TCFD.

Climate Change

Governance

The Group's material issues related to sustainability, including climate change, are identified along with KPIs through discussion by senior management members and confirmed through a resolution of the Board of Directors. Climate risks, opportunities, and strategy pertaining to the Group are also reflected in 3-Year Business Plans, annual budgets, KPI targets, and other areas, and are confirmed through a resolution of the Board of Directors. The Carbon Neutrality Committee meets regularly to deliberate on and manage climate change-related matters pertaining to the Group. Initiatives and performance in regard to KPI targets are then reviewed by the Sustainability Committee and an overview is reported to the Board of Directors.

Strategy

Short-, medium-, and long-term climate change risks and opportunities that could have a major impact on the Group's business, strategy, or finances based on analysis of climate change scenarios that anticipate various changes in the external environment, including regulatory changes, technological progress, market changes, and natural disasters are identified. We then consider the impact of each of these on business and strategy in each area, such as products and services, R&D investment, operations, and GHG emission reduction and response measures. Based on the results of this analysis, we formulate Group strategies for each climate change risk and opportunity, and these are reflected in 3-Year Business Plans. These strategies are also discussed by the Carbon Neutrality Committee and reviewed by the Sustainability Committee.

Climate Change Scenario Analysis

GRI 201-2

The SMM Group has been analyzing the 1.5°C and 4°C scenarios for identifying the medium-to long-term impacts of climate change on the Group's business and investigating and preparing countermeasures since FY2021. In FY2023, we updated these scenario analyses based on the formulation of our next 3-Year Business Plan and changes in social conditions so that they can be used in the formulation of our roadmap for achieving carbon neutrality by 2050.

1.5°C scenario

A scenario in which strict climate change measures are implemented and temperature rise at the end of this century is limited to less than 1.5°C compared to pre-industrial levels

- Increased carbon tax burdens and stricter CO₂ emission regulations
- Tighter regulations concerning a circular economy
- Increased demands for low-carbon and decarbonized products from customers and consumers
- Intensified competition to develop mineral resources
- Spread and expansion of electric vehicles and fuel cell vehicles
- Increased electric demand and use of renewable energy as a main power source
- Progression of digitalization

4°C scenario

A scenario in which additional climate change countermeasures beyond the current status are not implemented and temperature rise at the end of the century is approximately 4°C compared to pre-industrial levels

- Sea level rise, higher atmospheric and ocean temperatures
- Increases in abnormal weather, such as heat waves, extreme rainfall, large typhoons, and droughts, and severe disasters in the 20-year and 100-year projections

Reference scenarios

- IEA, World Energy Outlook 2022
- IEA, Global EV Outlook 2022
- IPCC, special report "Global Warming of 1.5°C" (2018)
- Ministry of Economy, Trade and Industry, Sixth Strategic Energy Plan (2021)
- Cabinet Secretariat and others, Green Growth Strategy Through Achieving Carbon Neutrality in 2050, etc.

Reference scenarios

- IPCC, Synthesis Report of the Sixth Assessment Report (2023)
- IPCC, Working Group II contribution to the Sixth Assessment Report (2022)

Climate Change

Degree of impact. High impact: 10 billion JPY or more annually; medium impact: one billion JPY to 10 billion JPY annually

Occurrence period. Medium-term: Through about 2030; Long-term: Through about 2050

Scenario	Category	Driver	Impact on business	Degree of impact	Occurrence period	SMM Group approach (response measures)	
1.5°C scenario	Transition risks	Policy and regulations	Introduction of carbon pricing (carbon taxes, emissions trading, fossil fuel surcharges, European carbon border adjustment mechanism) Stricter energy-saving and decarbonization regulations (European battery regulations)	<ul style="list-style-type: none">Carbon tax burdensEmissions trading cost burdensIncreased fuel costs due to fossil fuel surcharges <ul style="list-style-type: none">Increased costs for energy-saving, high-efficiency, and electrified equipmentIncreased electricity costs due to use of renewable energyIntensified competition to procure renewable energy	Large	Medium to long term	Comprehensive energy conservation and higher efficiency Improvement of energy use intensity by an average of 1% or more annually Energy transition Electrification of heat source equipment Transition from coal and heavy oil to liquified natural gas (LNG) and development of procurement structures to secure LNG Development of procurement structures for co-firing of coal and wood pellets and securing wood pellets Technology development for use of new fuels (hydrogen, ammonia, synthetic fuels) (long term)
		Policy and regulations	Tighter regulations concerning a circular economy (Ecodesign for Sustainable Products Regulation, European (EU) Battery Regulations)	<ul style="list-style-type: none">Increased raw material costs due to the use of recycled raw materialsIntensified competition to procure recycled raw materials	Large	Medium to long term	Increased use of renewable electricity Expanded introduction of in-house solar and wind power (on-site and off-site PPA ²) Expanded transition to renewable energy (including use of non-fossil fuel certificates) Development of technology for use of stored electricity systems (long term)
		Markets	Higher requirements for low-carbon and decarbonized Company products (copper, nickel, battery cathode materials, etc.)	<ul style="list-style-type: none">Increased energy costs due to energy transitionsIntensified competition among products with low carbon footprint of product (CFP)¹ (decreased sales of high CFP products)Aging of existing products and technologies, increased technology development costs	Large	Medium to long term	Technology development Development of technology to improve recycling Development of technology relating to innovative smelting processes Development of technology for use of carbon dioxide capture and storage (CCS) ³ (long term)
		Markets	Rising excessive resource nationalism in resource-producing countries (copper, nickel, lithium, cobalt, etc.)	<ul style="list-style-type: none">Increased costs due to stricter imposition of taxes and higher royaltiesShortages of raw materials due to prohibitions on the export of ores and intermediate raw materialsIntensified competition for acquisition of mining interests	Large	Medium to long term	Securing mineral resources and raw materials Securing stable supplies of copper and other resources from mines in which the Company holds interests Collecting information taking into consideration resource nationalism
		Opportunities	Policy and regulations	Spread and expansion of electric vehicles	<ul style="list-style-type: none">Increased sales of battery cathode materials, nickel and cobalt included in cathode materials, and copper used in wire harnesses and drive motors	Large	Medium to long term
	Opportunities	Policy and regulations	Increased demand for electricity, expansion of electric power grids	<ul style="list-style-type: none">Increased sales of copper used in transmission lines and transformersIncreased sales of silicon carbide (SiC) substrates used in high-efficiency power semiconductors	Large	Medium to long term	Promotion and expansion of new business Commercialization of battery recycling Commercialization of SiC substrates Introduction of near-infrared absorbing materials into new markets
	Opportunities	Policy and regulations	Use of renewable energy as a main power source	<ul style="list-style-type: none">Increased sales of copper used in wind power motors and transformersIncreased sales of battery cathode materials, nickel, and cobalt used in storage cells for controlling variation in renewable energy	Large	Medium to long term	Implementation of large-scale projects for increasing production of battery materials Technology development Increased pace of technology development to enhance the performance of automotive battery cathode materials (nickel-based)
	Opportunities	Markets	Enhanced performance of electronic devices for the use of digital technologies	<ul style="list-style-type: none">Development of technology for and increased sales of high-performance materials used in electronic devices	Medium	Medium to long term	Development of technology for new processes for lithium-ion phosphate (LFP) cathode materials Development of technology for functional materials suitable for automotive electronic devices, 5G smart-phones, and the Internet of things (IoT) Development of technology for hydrogen manufacturing-related materials
	Opportunities	Markets	Development of next-generation materials	<ul style="list-style-type: none">Development of hydrogen manufacturing catalyst, artificial photosynthesis catalysts, and fuel cell materials and expansion of new business	Medium	Medium to long term	Securing mineral resources and raw materials Securing stable supplies of copper and other resources from mines in which the Company holds interests Acquisition of interests in and development of new high-quality mines
	4°C scenario	Physical risks	Chronic	Sea level rise	<ul style="list-style-type: none">Decreased functionality of ports and backlands (coastal plants, etc.) and intensification of damage to facilities due to high tides and flooding during rain stormsIncreased recovery costs and increased facility countermeasure costs	Large	Long term
Temperature rise				<ul style="list-style-type: none">Decreased productivity due to heat stress in hot workplacesIncreased incidence of heat strokeIncreased facility countermeasure costs	Medium	Long term	Responses to the Global Industry Standard on Tailings Management (GISTM) Diversification of suppliers, reinforcement of relationships with suppliers, securing alternative transportation routes, and securing inventories and alternative raw materials
Acute				<ul style="list-style-type: none">Intensification of rainstorms, flooding, and landslidesLoss of business opportunities due to damage to production equipment and production stoppagesIncreased recovery costs and increased facility countermeasure costs	Medium	Medium to long term	
			Increases in abnormal weather, such as heat waves, extreme rainfall, large typhoons, and droughts in the 100-year projection	<ul style="list-style-type: none">Demands for large amounts of compensatory damages for damage caused by tailings dam overflow and collapseIncreased insurance premiumsIncreased recovery costs and increased facility countermeasure costsBusiness interruption and cessation of operations due to disruption of supply chainsLoss of business opportunity due to suspension of production	Large	Medium to long term	

1 Carbon footprint of products (CFP): Emissions per unit of products

2 On-site and off-site PPA: On-site PPA the supply of electricity by a powered generating company by installing solar power generation equipment on land owned by another company, and off-site PPA is the installation of solar power generating equipment outside of the company's premises and transmitting the electricity to the company via the electric power grid

3 Carbon dioxide capture and storage (CCS): Technology for separating and collecting carbon dioxide and storing it underground or in other locations

Climate Change

Risk Management

The climate change risks identified through scenario analysis are monitored and measured by the Carbon Neutrality Committee, which also takes corrective measures and revises strategies when necessary, and are reviewed by the Sustainability Committee. Climate change risk is also controlled by the Group's risk management system and Risk Management Working Group, based on consideration of the impact on other individual risks such as occupational accidents, environmental pollution, quality failures, and legal violations.

Metrics and Targets

To achieve carbon neutrality by 2050 we formulated interim targets for 2030 and announced a roadmap. We have also set and are pursuing targets for contribution to reducing GHG emissions at a society-wide level through the supply of secondary battery cathode materials for use in automobiles and near-infrared absorbing materials produced by the Group.

KPI and Results

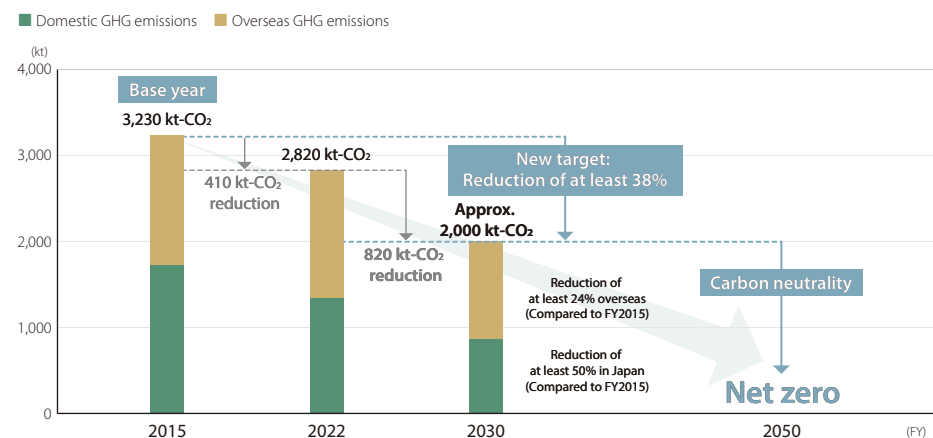
1. Take action to reduce GHG emissions by at least 38% (at least 50% in Japan and at least 24% overseas) compared to FY2015 and achieve net zero GHG emissions by 2050
FY2023 GHG emissions: 2,556 kt-CO₂e
Reduction of 21% compared to FY2015; 36% in Japan and 3% overseas)
2. Reduce GHG emissions intensity by at least 26% compared to FY2013
GHG intensity in FY2023 increased 3% compared to FY2013
3. Expand contribution of GHG reduction by products contributing to a low-carbon society: At least 600 kt-CO₂
FY2023 GHG reduction contribution: 567 kt-CO₂

Measures for Achieving Carbon Neutrality

Formulation of a Roadmap

With the aim of achieving net-zero GHG emissions in 2050, the SMM Group set reduction targets for FY2030, formulated a roadmap of action to take through 2050, and announced it in December 2023. The interim reduction targets for FY2030 is a reduction of at least 38% (at least 50% in Japan and at least 24% overseas) with FY2015 as the base year and emissions of no more than 2 million t-CO₂.

Roadmap to Net-Zero GHG Emissions (as of December 2023 announcement)



Climate Change

Measures to Achieve Carbon Neutrality by 2050

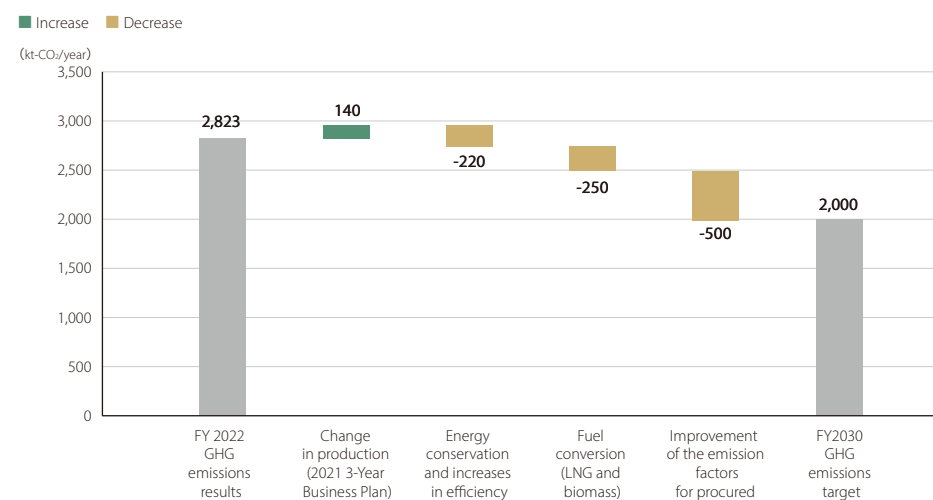
In the lead up to FY2030, we will take action to maximize the use of existing technologies including comprehensive energy conservation and increases in efficiency, fuel conversion of fossil fuels, and expanded introduction of renewable energy. To achieve carbon neutrality by FY2050, we will tackle the challenges of developing innovative technologies for refining processes, an area where it is currently difficult to achieve reductions, and introduce new technologies including next-generation energy and carbon dioxide capture and storage premised on innovative decarbonization technologies and their social implementation.

	Action up to FY2022	Action until FY2030	Action until FY2050
Process improvements	Energy conservation and increases in efficiency Reconstruction of production processes (Harima Refinery, Hyuga Smelting, and other sites)	Maximum utilization of available technologies Comprehensive energy conservation and increases in efficiency	Ongoing initiatives
Energy transition	Transition from heavy oil to LNG (Isoura Plant and Niihama Nickel Refinery) Introduction of solar and geothermal binary power generation (Hishikari Mine, Ome District Division, and other sites)	Expansion of transition from heavy oil and coal to LNG and woody biomass fuel Electrification of equipment that uses heat Expanded introduction of renewable electric power Utilization of carbon credits	
Improvement of the emission factors for procured electric power	Switch to renewable energy (Harima Refinery, Hishikari Mine)	Expanded use of renewable energy Use of renewable energy certificates	Introduction of new technologies
Technology development	Exploratory and basic research	Pilot tests and verification tests	Verification and practical implementation of innovative smelting and refining processes unique to SMM
Utilization of outside technologies		Investigation and preparation of new technology applications	Use of green hydrogen, green ammonia, and synthetic methane CO ₂ separation, capture, and storage technology (CCUS)

Measures for Achieving FY2030 Targets (as of December 2023 announcement)

Regarding the FY2030 interim targets, we expect an increase of 140,000 tons due to business expansion and will take action to reduce emissions by 220,000 tons through energy conservation and higher efficiency, 250,000 tons through fuel conversion, and 500,000 tons through improvement of the emission coefficient for procured (purchased) electric power in order to achieve our target of 2 million tons in FY2030, corresponding to a 38% reduction compared to FY2015.

GHG Emissions



Climate Change

GHG Emissions (Scope 1 and 2)

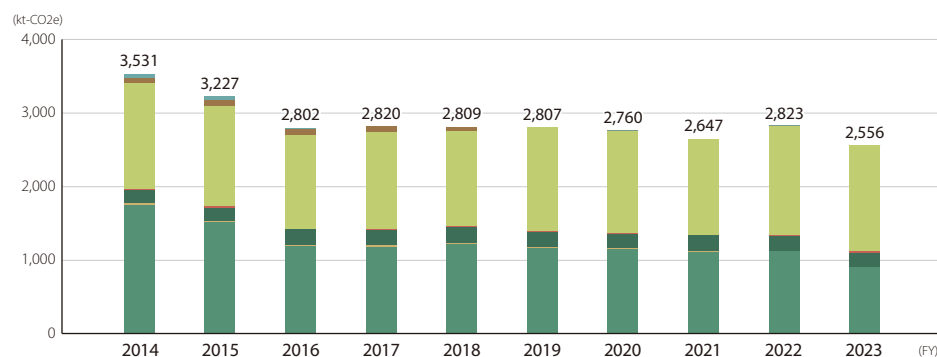
GRI 305-1/305-2/305-5

The SMM Group's GHG emissions in FY 2023 were 2,556 kt-CO₂e, a year-on-year decrease of 267 kt-CO₂e resulting from a decline in production volume, fuel conversion from heavy oil to LNG, and improvement of the electric power CO₂ emissions coefficient. In addition, direct GHG emissions reductions from energy-saving measures and fuel conversion in FY 2023 were 37.6 kt-CO₂e. Additionally, the solar power plant operated by SMM in Kashima, Ibaraki Prefecture helped to reduce emissions by approximately 1.7 kt-CO₂e in FY2023.

Scope 1: Direct GHG emissions generated by a business (due to fuel consumption, industrial processes, etc.)
 Scope 2: Indirect GHG emissions generated through the use of electricity, heat, and steam supplied by other companies
 Scope 3: Indirect GHG emissions not covered by Scopes 1 or 2 (emissions from other companies with a connection to the business' activities)

GHG Emissions (Scope 1¹ and 2²)

■ Smelting & Refining Business in Japan ■ Mineral Resources Business in Japan
 ■ Battery Materials Business and Advanced Materials Business ■ Other businesses in Japan
 ■ Smelting & Refining Business overseas ■ Mineral Resources Business overseas ■ Materials Business overseas



¹ Both Japan and overseas figures are calculated based on the GHG Protocol, and emission factors are based on the Japanese law "Act on Promotion of Global Warming Countermeasures"

² GHG emissions factors for electric power purchased in Japan are based on the adjusted emissions factors of electric suppliers
 The GHG emissions factors for purchased electricity overseas are based on the emissions factors for each country specified in the IEA Emissions Factors –
 2023 Edition

Greenhouse Gas (GHG) Emissions P.50

Energy and GHG Emissions Intensity Indices¹

GRI 302-3/305-4/305-5

(Reporting Boundary: Smelting & Refining Business in Japan)

In FY2023, the energy intensity of the Smelting & Refining Business in Japan improved by approximately 5% year on year.

SMM is a member of the Japan Mining Industry Association (JMIA), an organization of non-ferrous mining, smelting and refining companies, and we are participating in the Carbon Neutrality Action Plan being led by the Japan Business Federation (Keidanren).

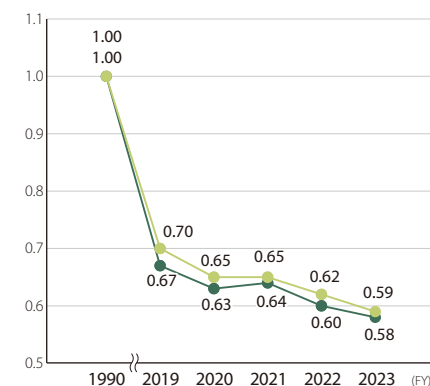
We will continue to proactively engage in thorough energy management, the promotion of energy-saving activities, the introduction of renewable energy, the use of unutilized heat, and other endeavors with the aim of reducing energy intensity by an average of at least 1% per year and further lowering CO₂ emissions over the medium to long-term.

¹ Energy and GHG emissions intensity indices: the amount of energy consumed and GHGs emitted during the production of 1 ton of product (In the figure below, FY1990 is the base year with a value of 1)

Energy and GHG Emissions Intensity Indices (Reporting Boundary: Smelting and Refining Business in Japan) P.50

Energy and GHG Emissions Intensity Indices

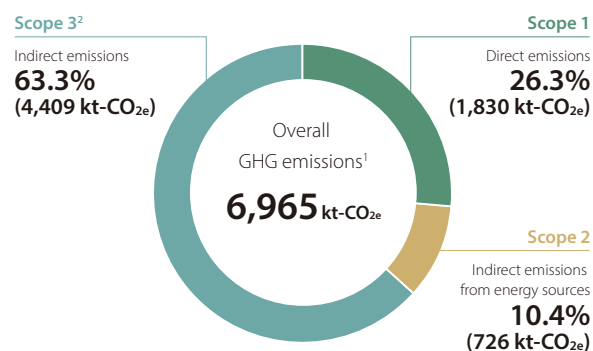
● Energy intensity index
 ● GHG emissions intensity index



Climate Change

Scope 3 Measures

Scope 3 GHG emissions generated in FY2023 amounted to 4,409 kt-CO₂e. Starting from the categories with the highest emissions ratios, we will communicate with business partners to make the emissions calculations more accurate, confirm the status of their GHG reduction initiatives, and set Scope 3 reduction targets.



¹ Reporting boundary: the entire SMM Group (however, data for Category 5 to 7 only covers Group companies in Japan)

² Excludes Categories 8–12, 14, and 15

GRI 305-3

Scope 3 Emissions and Percentage of Overall Emissions

Category	Emissions (kt-CO ₂ e)	Percentage	Calculation Method
Total Scope 3	4,409	63.3%	
1 Purchased goods and services <input checked="" type="checkbox"/>	3,603	51.7%	Σ (weight of key raw materials x emissions intensity) ¹
2 Capital goods <input checked="" type="checkbox"/>	551	7.9%	Σ (amount of capital expenditures x emissions intensity x 1.05) ² Capital expenditures include construction in progress, used equipment, and intragroup transactions
3 Fuel- and energy-related activities not included in Scope 1 or Scope 2 <input checked="" type="checkbox"/>	221	3.2%	Σ (electricity and fuel consumptions x emissions intensity [electricity ² , fuel ¹])
4 Upstream transportation and distribution <input checked="" type="checkbox"/>	23	0.3%	Emissions from domestic transportation are calculated based on the Japanese laws the "Act on Rationalizing Energy Use" and "Act on Promotion of Global Warming Countermeasures."
5 Waste generated in operations	7	0.1%	Σ (amount of waste by type (major sites in Japan) x emissions intensity by waste type) ²
6 Business travel	1	0.0%	Σ (number of employees (major sites in Japan) x emissions intensity) ¹
7 Employee commuting	3	0.0%	Σ (number of employees (major sites in Japan) x number of business days x emissions intensity) ²
8 Upstream leased assets	Not applicable ³		
9 Downstream transportation and distribution	Not applicable ⁴		
10 Processing of sold products	Not applicable ⁴		
11 Use of sold products	Not applicable ⁴		
12 End-of-life treatment of sold products	Not applicable ⁴		
13 Downstream leased assets	0.2	0.0%	Σ (electricity and gas consumption by tenants of the Head Office building x emissions intensity) ⁵
14 Franchises	Not applicable ⁶		
15 Investments	Not applicable ⁷		

Reporting boundary: the entire SMM Group. (data for Category 5 to 7 only covers Group companies in Japan)

¹ For emissions intensity, we used values from the Research Laboratory for IDEA Research Institute of Science for Safety and Sustainability (RISS), National Institute of Advanced Industrial Science and Technology (AIST) LCI Database AIST-IDEA Ver. 3.4

² For emissions intensity, we used values from the Database for Calculating GHG Emissions of the Supply Chain, Ver. 3.4

³ Not applicable as it is included in calculations of Scope 1 and 2 emissions

⁴ This category is not applicable because it is difficult to calculate emissions since our products are mainly non-ferrous metals and highly advanced materials, which have diverse applications after sales destinations, and each application has different GHG emission characteristics

⁵ Emissions intensity was calculated based on the list of calculation methods and emission factors of the Ministry of the Environment's Greenhouse Gas Emissions Calculations Reporting and Publication System

⁶ Not applicable as we do not operate any franchise businesses

⁷ Not applicable as it is the disclosure of information on investments for profit

Climate Change

Using Internal Carbon Pricing

The SMM Group set Internal Carbon Pricing (ICP) to develop technologies for decarbonization and to promote energy conservation and introduced an ICP system that reflects GHG reduction effects in the effects of investment. We introduced ICP in September 2020 and have actively invested in decarbonization using ICP at business sites. Specifically, in addition to energy-saving investments, such as introducing LED lighting and switching to highly efficient air conditioning equipment, we are actively taking on challenges including introduction of solar power and a fuel transition from heavy oil to LNG, which previously were difficult under existing investment standards. Going forward, we will continue reviewing ICP as necessary in consideration of changes in social conditions and other factors and to promote decarbonization.

ICP price	Investment projects subject to ICP ¹	Anticipated CO ₂ emissions reduction (t-CO ₂ /year) ²
JPY20,000/t-CO ₂	40	84,000

¹ Covers investments for which the application of the system was decided between FY2021 and FY2023

² Projected CO₂ reductions are calculated based on normal operating conditions. As this includes investments that will be implemented from FY2024 onward, the period in which effects manifest and the period in which application was decided are not concurrent

- Fuel transition from heavy oil to LNG with low CO₂ emissions, boilers at the Niihama Nickel Refinery and Isoura Plant, steam heating equipment and drying equipment at the Toyo Smelter & Refinery, and other equipment are being converted in stages from heavy oil to LNG, cutting CO₂ emissions by 20% to 30%.
- Co-firing of woody biomass instead of coal
CBNC and THPAL started woody biomass co-firing tests in coal-fired power generating facilities (in-house power generation) in FY2023. In the future, we plan to address issues, such as stable operation when the co-firing ratio is increased and securing the necessary procurement volume of wood pellets, and investigate the possibility of co-firing with woody biomass in kilns at Hyuga Smelting Co., Ltd. and Shisaka Smelting Co., Ltd. in Japan.
- Switch to electricity generated with renewable energy for procured electric power
The SMM Group is switching in stages to electricity generated with renewable energy at domestic sites including the Harima Refinery, Hishikari Mine, Hyuga Smelting, Head Office building.

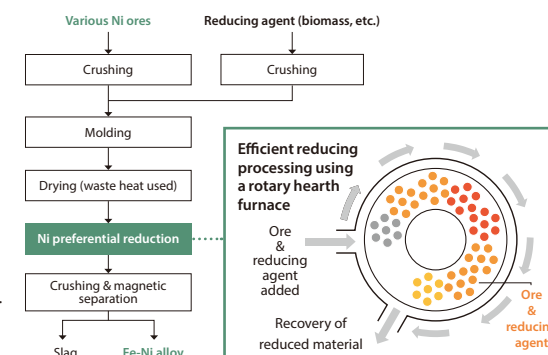
Development of Innovative Smelting and Refining Processes

For the Group to achieve carbon neutrality by 2050, it will be necessary to make improvements to innovative smelting and refining processes that dramatically reduce GHG emissions in the smelting and refining business, a main source of GHG emissions. To do this, we are developing new low CO₂ nickel smelting and refining methods, direct lithium extraction methods for recovering lithium from salt lakes, CO₂ absorption and fixation technologies using waste ore, and other technologies.

Low CO₂ Nickel Smelting and Refining Methods

● Ni preferential reduction method

This is an efficient nickel reduction process that uses a reactor device known as a rotary hearth furnace. With this method, processing at lower temperatures and in shorter times than earlier methods is possible, and it is expected that this method will substantially reduce GHG emissions and energy usage. Also, GHG emissions can be reduced to zero by using biomass fuels as the reducing agent and green electricity as the heat source.



Processing at low temperature
and in a short time is possible

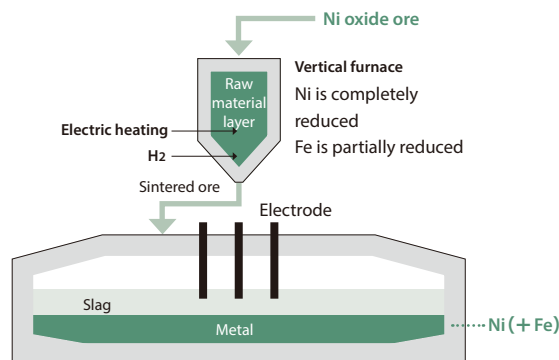
- Substantially reduce in GHG emissions and energy usage
- Reduce GHG emissions to zero by using biomass reducing agent and green electricity as the heat source

Target:
Start operation by 2050

Climate Change

Hydrogen reduction method

This recovery method recovers reduced nickel metal from nickel oxide ore using hydrogen, which had been considered difficult in the past. By investigating the feasibility through fundamental testing, we achieved the target of recovering reduced nickel metal. We are currently developing the process as a whole, including investigation of equipment to achieve recovery, and aim to start pilot testing by 2030.



Reduction of Total Volume
Using Hydrogen

• Complete carbon neutrality with zero GHG emissions
—Target nickel recovery rate achieved in basic tests

Target:
Start pilot testing in 2030

Demonstration testing of lithium recovery from salt lakes (direct lithium method)

The conventional lithium recovery process used large volumes of chemicals that generate large amounts of CO₂, such as hydrated lime, but we developed a new direct lithium extraction (DLE) technology that uses small amounts of absorbents to selectively recover lithium, which leads to reduced CO₂ emissions.

We are currently verifying the reliability of the process at a pilot plant installed in Chile, South America, improving the absorbent, and narrowing the target salt lakes with the aim of completion by FY2030.

Development of technology to absorb and fix CO₂ using waste ore and other materials

We started development of CO₂ absorption and fixation technology that uses magnesium by focusing our efforts on waste ore that includes large amounts of magnesium and is generated when

recovering nickel from low-grade nickel ore using HPAL technology. Currently, we are conducting joint research with a university on technology to fix the CO₂ contained in combustion exhaust gas from thermal power generation and so on. The amount of ore handled and the volume of gas generated are both large, so we are working to solve the technological and economic problems and put this technology into practical application by 2050.

Contributing to a Carbon Neutral Society

Providing Products That Contribute to a Low-Carbon Society

Among the SMM Group's products, we position those products that contribute to reducing GHG emissions as low-carbon products, and the Group places the highest priority on contributing to reducing GHG emissions throughout society by developing these products and expanding business.

Our current target is to contribute to a reduction in GHG emissions of at least 600,000 tons through low-carbon products by 2030. The GHG reduction contribution in FY 2023 was 567,000 tons.

We will continue to actively develop technology for new processes for lithium-ion phosphate (LFP) cathode materials and materials relating to hydrogen manufacture while we expand business for existing low-carbon products.

Realizing a Stable Supply of Non-Ferrous Metal Resources

The main mineral resources for renewable energy, which is a major trend in realizing a carbon neutral society, and used in the electrification of EVs and other vehicles are shown in the table on the following page. We provide many of these materials.

The exact metal usage per vehicle increases as electrification advances, with copper requiring 3.6 times the weight equivalent of a gasoline-powered vehicle. We believe that meeting the growing demand for such materials is an important role that our Group should fulfill.

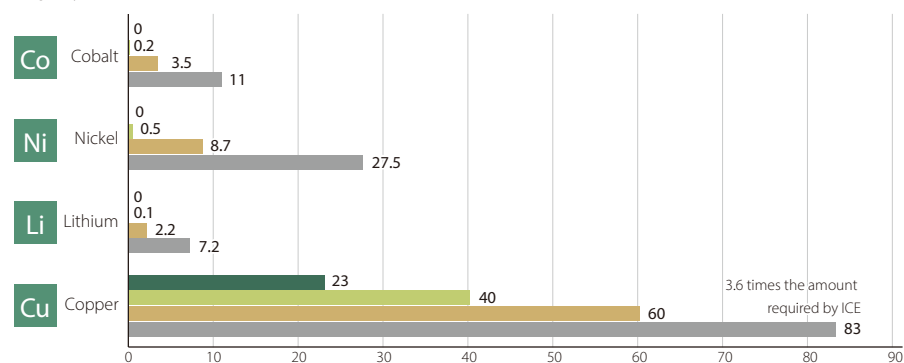
Climate Change

System and Fundamental Technology			Main Metal Resources Required ¹
Renewable energy sector	Power generation and batteries	Wind power generation	Copper, aluminum, rare earths
		Solar power generation	Indium, gallium, selenium, copper
		Geothermal power generation	Titanium
		Large-capacity storage batteries	Vanadium, lithium, cobalt, manganese, copper
Automobile sector	Batteries, motors, etc.	Lithium-ion batteries	Lithium, cobalt, nickel, manganese, copper
		Solid-state batteries	Lithium, nickel, manganese, copper
		High-performance magnets	Rare earths
		Fuel cells (electrodes, catalysts)	Platinum, nickel, rare earths (scandium)
		Hydrogen tanks	Titanium, niobium, zinc, magnesium, vanadium

¹ Materials highlighted in blue are produced by the Group

Metal Used per Vehicle (kg)

Internal combustion engine vehicle (ICE) Hybrid electric vehicle (HEV)
Plug-in hybrid electric vehicle (PHEV) Electric vehicle (EV)



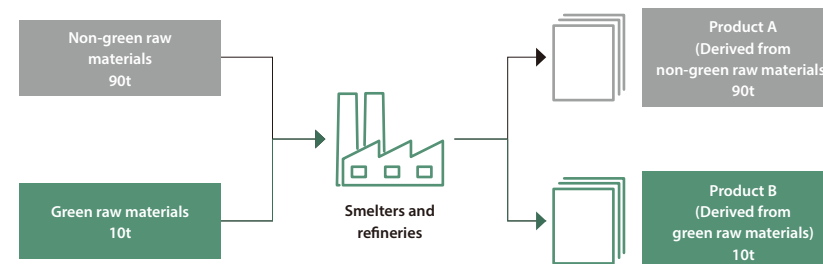
Source: The Agency for Natural Resources and Energy's Mineral Resources Policy for Achieving Carbon Neutrality in 2050

Green Metal Concept Using a Mass-Balance Approach

Regarding the SMM Group's electrolytic copper, we plan to secure a third-party guarantee of the validity of our carbon footprint (CFP) calculations and chain of custody (CoC) and obtain certification so that we can provide low GHG emissions electrolytic copper (green copper) using a mass-balance method.¹ In FY2024, we plan to investigate obtaining a third-party guarantee of our CFP calculations for other metals as well.

¹ An approach allocating certain characteristics to a portion of a product to be produced in accordance with the input ratios of raw materials with certain characteristics in cases where materials with different characteristics are used in combination

Schematic Diagram of the Mass-Balance Approach¹



¹ Diagram prepared by making reference to the following source: Ellen MacArthur Foundation, "Enabling a Circular Economy for Chemicals with the Mass Balance Approach"

Significant Environmental Accidents / Biodiversity

Approach and Policy

GRI 3-3

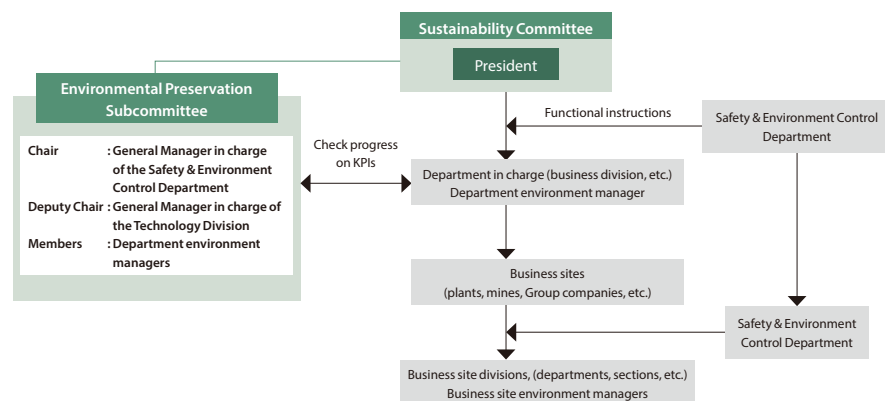
Significant environmental accidents have major impacts on the environment and communities, and can result in loss of the trust that is a prerequisite for business continuity. In particular, the SMM Group's business activities have the potential to cause environmental pollution through such means as the leakage of mining waste and chemicals. By improving our facilities and management to address such risks as well as intensifying natural disasters, we are working to prevent significant environmental accidents and mitigate impacts in the event of occurrence.

We are also working to sustainably utilize and manage water resources and to reduce our emissions of harmful substances into the atmosphere and water, and are developing environmental conservation activities that place importance on biodiversity.

Management Framework

GRI 3-3

■ Management Framework



The Environmental Preservation Subcommittee and the Safety & Environment Control Department

The Safety & Environment Control Department serves as the secretariat of the Environmental Preservation Subcommittee. The Department is the functional instructing department for all environmental preservation activities, promoting initiatives through the cooperation and collaboration of various departments to realize the Vision. This includes the operations of the Environmental Preservation Subcommittee, functional instructions to site managers based on legal revisions and other external information, various reports and inspections, and alerts and inspection directives through the sharing information about environmental accidents and minor incident cases within the Group.

Conference for Environment Managers

Conferences for environment managers are held in principle once per year and are attended by environment managers from all business sites. In these meetings, we aim to enhance the capabilities of these managers through education and discussion on the progress of environmental objectives, updates on legal amendments and compliance status, as well as environmental performance and priority areas of focus.

Environmental Targets for FY2024

GRI 3-3

■ Policy

Use an environmental management system (EMS) to strengthen environmental management, prevent environmental problems, and address global environmental issues.

FY2024 Targets

- Eliminate environmental accidents and compliance breaches
- Reduce greenhouse gas (GHG) emissions
- Promote preservation of nature that creates biodiversity

Significant Environmental Accidents / Biodiversity

Environmental Management System

GRI 3-3

Based on our Group's environmental vision and progress toward it, the Safety & Environment Control Department formulates a proposal for the Group's environmental targets (policies, objectives, strategies), which are reviewed and approved by the president. At each business site, annual targets and plans are developed based on the Group's environmental targets, considering the unique risks of each site, and are carried out through the environmental management system (EMS) based on ISO 14001 (JIS Q 14001). As of April 1, 2024, all our production sites have obtained third-party ISO 14001 certification.

Through the EMS, each business site conducts activities on a regular basis to improve the level of environmental management through the PDCA cycle. Such activities include evaluations of the effect on the environment of the business' activities (environmental risk assessment), formulation of action plans for achieving environmental targets, preventive environmental preservation activities, tracking through internal and third-party audits, management reviews, and emergency response training in case of accidents.

In FY2023, we implemented management improvements using a risk management system (RMS) and an environmental management system (EMS) including inspections by the General Manager of the Safety & Environmental Control Department, training for new site managers, environmental communication, and dissemination of information through REC (Risk Environment Compliance) e-newsletter used to periodically distribute information within the company concerning the environment, quality, and compliance. Each site set a target of enhancing their ability to respond to environmental problems and took measures in accordance with their individual business site plans using management systems. As a result, in FY2023 there were no significant environmental accidents or violations that had a substantial impact on the environment or society.

Environmental Preservation-Related Investments in Capital Expenditures  P.52

Environmental Education for Employees

We conduct trainings including education on laws and regulations and environmental management using e-learning and other means, education to develop EMS internal auditors, and rank-specific environmental management education (for newly appointed business site general managers, environmental personnel, new employees, mid-career hires, etc.) to enhance environmental management levels.

■ Environmental Education

Targeted employees	Environmental education activities	Purpose, contents
Business site general managers	<ul style="list-style-type: none"> ● Education of newly-appointed business site general managers ● Periodically send out information 	<ul style="list-style-type: none"> ● Promote understanding of the importance of the relationship between corporations and the environment and raise self-awareness and environmental awareness as the business site general manager ● Provide information about revisions of laws and important precedents by a periodical e-mail magazine
Managers and supervisors	<ul style="list-style-type: none"> ● Environmental e-learning (Environmental Laws, Basic) 	<ul style="list-style-type: none"> ● Understand the spirit and idea of Japan's laws, and understand Japan's mandatory and notification procedures
Internal auditors	<ul style="list-style-type: none"> ● EMS Internal Auditor Training Course, standard update course 	<ul style="list-style-type: none"> ● Training of internal auditors for EMS with qualifications conforming to ISO 14001 (2015) and updating holders of old qualifications to the 2015 version
Managers	<ul style="list-style-type: none"> ● Education about environmental preservation 	<ul style="list-style-type: none"> ● Provide information about the SMM Group's environmental preservation initiatives and raise self-awareness
Environment managers	<ul style="list-style-type: none"> ● Conference for environment managers ● Periodic education about the Chemical Substances Control Law 	<ul style="list-style-type: none"> ● Improve knowledge of Japan's environmental laws and regulations, enhance environmental management capabilities, raise self-awareness ● Check the outline of Act on the Regulation of Manufacture and Evaluation of Chemical Substances and information on revisions, prevent omissions of notification, and raise self-awareness
Sales representatives	<ul style="list-style-type: none"> ● Explanatory meeting: overseas chemical substance regulations 	<ul style="list-style-type: none"> ● Impart knowledge to sales representatives about overseas chemical substance regulations and raise their self-awareness
New and midcareer hires	<ul style="list-style-type: none"> ● Education about environmental preservation for mid-career hires ● Education about environmental preservation for new employees 	<ul style="list-style-type: none"> ● Impart knowledge about the SMM Group's environmental preservation initiatives and raise self-awareness

Significant Environmental Accidents / Biodiversity

Managing Tailings Facilities

Management of Operated Tailings Facilities

GRI 306-1/306-2/G4-MM3

In August 2020, Global Tailings Review (GTR) formulated the Global Industry Standard on Tailings Management (GISTM). The International Council on Mining and Metals (ICMM) is committed to compliance with GISTM, and as a member of ICMM, we are responding to the standard.

Our Group thoroughly implements measures to prevent significant environmental accident at closed mines that it manages and tailings facilities managed by CBNC and Taganito HPAL Nickel Corporation (THPAL), both of which are located in the Philippines.

In FY2023, we disclosed information concerning high-risk tailings facilities in accordance with the provisions of the GISTM, established a working group under the Environmental Preservation Subcommittee, and took measures to ensure compliance with the GISTM.

On August 1, 2024, we formulated the Sumitomo Metal Mining Group's Tailings Facility Management Policy based on the GISTM in order to clarify guidelines concerning governance and implementation structures, principles, allocation of management resources, collaboration, preparations for and responses to emergency situations, reviews, and disclosures. In this policy, we make a commitment to securing the resources necessary for conducting tailings facility management activities, cooperating with stakeholders including local communities, mitigating risks throughout the lifecycle from tailings facility planning to decommissioning, and reducing impacts on the environment, as well as providing support for the safety management of tailings facilities at mines and other facilities in which we have invested.



Tailings Facility Disclosure under GISTM
<https://www.smm.co.jp/en/sustainability/management/tailings/>

Rehabilitation

GRI 306-1/306-2

CBNC and THPAL produce intermediates for electrolytic nickel and nickel sulfate. At tailings facilities, the slurry after the recovery of nickel through the production process is treated through neutralization to eliminate toxins and precipitate heavy metals. The treated slurry is then pumped to the tailings facilities where it allows the solids to settle down.

CBNC has three tailings facilities and THPAL has one. The CBNC #1 tailings facilities reached its storage capacity and completed its role, and accordingly, we are rehabilitating the site to establish an independent and sustainable ecosystem. Rehabilitation does not simply mean greening, but also making it possible for the area to return into its original state which is conducive to sustaining a natural ecosystem. This involves agroforest technology wherein the forest is established alongside agricultural farming. Thus, vegetables and fruits are also grown in the area. Many local residents and indigenous people are involved in this work, and rehabilitation plays an important role in creating local employment. We perform regular monitoring, and safe and effective management of tailings facilities throughout their lifecycles is confirmed by independent organizations and other concerned parties.

Rehabilitated Area  P.52

Business Activities in Areas of High Biodiversity Value  P.52

Managing Decommissioned and Closed Mines

GRI 306-1/306-2

We manage the nine decommissioned and closed mines and the associated tailings facilities in Japan indicated in the table in the following page.

Wastewater from mines is generated from mine tunnels and tailings facilities where tailings and other materials were accumulated during mine operations. Such wastewater is primarily acidic and contains heavy metals, and as a result, it is properly treated at a water treatment facility before release.

We conducted assessments of accumulation sites in accordance with statutory management standards, which were revised following the Great East Japan Earthquake in 2011, and through 2018 we invested a total of approximately JPY4.5 billion to strengthen the 11 tailings facilities that failed to meet the standards. As a result, all accumulation sites now satisfy the standards.

Significant Environmental Accidents / Biodiversity

In addition, we have responded to the increasing severity of natural disasters in recent years by completing the installation of emergency power generation equipment at each site and taking other measures by FY2023 to prepare for interruption of external power supplies and discontinuation of traffic for up to three days.

Accordingly, going forward, we will continue to soundly manage closed mines while also engaging in facility and infrastructure strengthening and improvement.

■ Management Framework for Decommissioned and Closed Mines

Mine Name	Location	Date of Decommissioning or Closure
Kounomai Mine	Hokkaido	October 1973
Kitami Mine	Hokkaido	October 1963
Yoichi Mine	Hokkaido	October 1963
Kunitomi Mine	Hokkaido	March 1945
Omiya Mine	Fukushima	June 1950
Yaso Mine	Fukushima	October 1970
Sazare Mine	Ehime	July 1979
Besshi Mine	Ehime	March 1973
Okuchi Mine	Kagoshima	September 1977



Decommissioned and Closed Mines

https://www.smm.co.jp/en/sustainability/activity_highlights/article_02/

Management and Reduction of Chemical Substances

Approach to Chemical Substance Management

Because chemicals are frequently handled in the SMM Group, we have established a chemical substance management system within the environmental management system (EMS) at all business sites under divisional jurisdiction. For example, when a business site intends to handle a new chemical, it conducts a preliminary study that covers hazard statements, laws and regulations, and other applicable information, and deliberates in a meeting at the business site before deciding whether to adopt the handling of said chemical. In addition, the business divisions and Safety & Environment Control Department cooperate with requests for preliminary consultation and verification from the business site.

Further, we also provide information on safe handling for all chemicals transferred or provided to customers or other business sites in the SMM Group using safety data sheets (SDS)¹ which conform to the Globally Harmonized System of Classification and Labelling of Chemicals (GHS),² regardless of whether or not we are legally obligated to do so. When developing new materials, we strive to develop materials that customers can use safely and with peace of mind. We review development themes taking into account the toxicity of contained substances, including as pertains to domestic and international regulations for final products as well as the environmental impact of production processes.

Regarding emissions into the atmosphere and water, in order to comply with statutory regulations relating to air and water pollution and further reduce emissions of chemical substances, business sites individually set targets and take action. In FY2023, each business site implemented measures according to their individual hazardous substance emissions reduction targets.

¹ Safety data sheet (SDS): A document listing information on a chemical, including the chemical substance, the product name, the supplier, hazards, safety precautions and emergency procedures

² The Globally Harmonized System of Classification and Labeling of Chemicals (GHS): A system for classifying chemicals based on the type and degree of hazards and toxicity they pose, chemical labeling, and safety data sheet provision in accordance with a set of internationally-agreed upon rules

Significant Environmental Accidents / Biodiversity

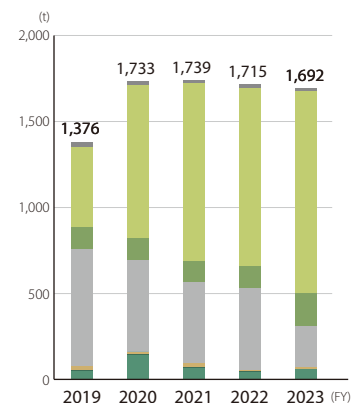
Emissions into the Atmosphere¹

GRI 305-7

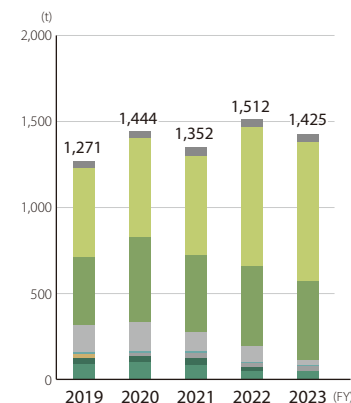
SOx emissions in FY2023 remained flat, decreasing by about 1% year on year. NOx emissions decreased by about 6% year on year. The decrease was the result primarily of a switch from heavy oil to LNG for boiler fuel at nickel refinery and production adjustments by Hyuga Smelting Co., Ltd. Soot and dust emissions decreased by about 4% year on year.

¹ Each emission figure was calculated based on the measurement of flue gas

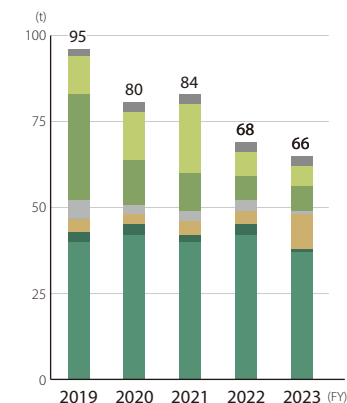
SOx Emissions



NOx Emissions



Soot and Dust Emissions



■ Toyo Smelter & Refinery ■ Niihama Nickel Refinery ■ Shisaka Smelting Co., Ltd. ■ Harima Refinery ■ Hyuga Smelting Co., Ltd. ■ CBNC ■ THPAL ■ Other

Significant Environmental Accidents / Biodiversity

Discharge into Water

GRI 303-2/303-3/303-4

The COD¹ pollutant load in FY2023 decreased by about 2% year on year. The BOD² pollutant load decreased by about 54% year on year due to a decrease in wastewater at the Hishikari Mine and withdrawal from the lead frame business by Okuchi Materials Co., Ltd. Many SMM Group business sites face onto Japan's Seto Inland Sea and are subject to controls on the total amounts of COD, nitrogen, and phosphorous emissions under the Act on Special Measures Concerning Conservation of the Environment of the Seto Inland Sea. In addition, we adhere to the discharge standards of the Water Pollution Prevention Act and have not had any violations in this area.

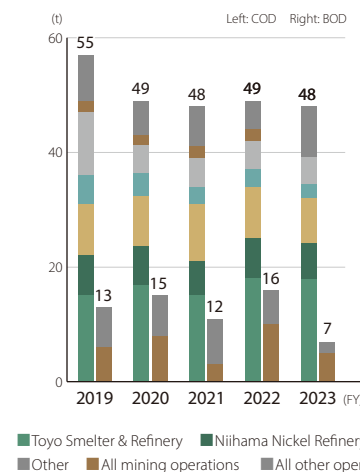
The volume of freshwater usage decreased by about 1% year on year to about 37.3 million m³. In this calculation, diversion water,³ which is unrelated to production, is excluded from withdrawal and discharge at mines. The volume of seawater usage decreased by about 14% year on year. This was attributable to a decreased in production volumes at the Toyo Smelter & Refinery.

1 COD (Chemical Oxygen Demand): Measured for discharge into seas, including emissions into rivers flowing into enclosed seas

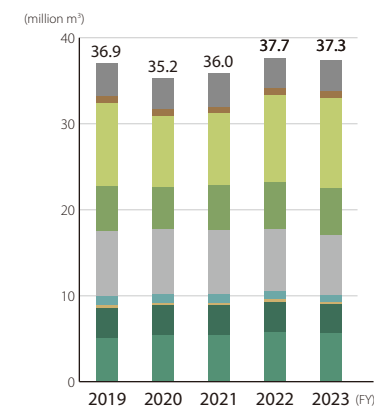
2 BOD (Biochemical Oxygen Demand): Measured for discharge into rivers, excluding emissions flowing into enclosed seas

3 Diversion water: Water that flows into the site as an input and flows out of the site as an output without being used for production purposes

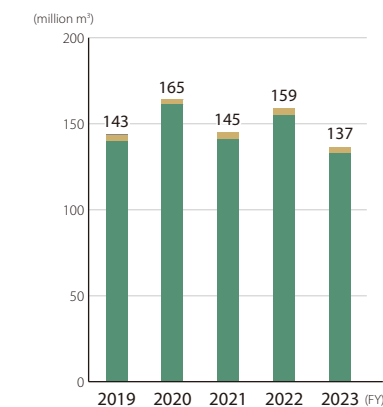
COD and BOD Pollutant Loads



Freshwater Withdrawal



Seawater Withdrawal



Significant Environmental Accidents / Biodiversity

Release Control for Chemical Substances¹

GRI 305-6

An overview of releases and transfers of chemical substances based on Japan's Pollutant Release and Transfer Register (PRTR) system in FY2023 is as follows. The number of data-submitting sites in the SMM Group was 23 (26 in FY2022). The Group had 44 (40 in FY2022) substances requiring registration.

The total released and transferred amount (releases + transfers) came to 2,626t, an increase of about 4% year on year, due to an increase in transfers. The increase in transfers was due to an increase in the volume of iron clinker² to be disposed as industrial waste after being generated as a by-product at Shisaka Smelting Co., Ltd. and an increase in the volume of manganese transferred off-site.

The amount released into the atmosphere increased by about 30% due to an increase in the number of chemical substances covered by the revised PRTR. Overall emissions decreased about 13% from the previous year due to an approximately 17% decrease in discharges into water in conjunction with a reduction in discharges from the Hishikari Mine. There were no releases of ozone layer depleting substances.

¹ Industrial waste treatment is commissioned to Group companies and industrial waste is recycled for use as raw material. Accordingly, chemical substances transferred off-site include some substances which were effectively not discharged outside the Group, such as nickel compounds as well as cobalt and cobalt compounds

² Iron clinker: The residue remaining during the processing of electric arc furnace dust after recovering zinc. The residue able to be sold is called "iron contained pellet," and the residue to be disposed of is called "iron clinker"

Responses to Water Risks and Biodiversity-Related Risks

Water Use Management (Risk Management)

GRI 303-1

Water is a shared resource of local regions and is closely connected to the lives of local residents and communities, as well as to the surrounding ecosystem. In addition to identifying water risks using WWF Water Risk Filter and then reducing those risks, our Group gives consideration to local communities and the environment in areas where we use water and are working with a sense of responsibility to make good use of the limited water resources.

At Coral Bay Nickel Corporation (CBNC) in Palawan Island, the Philippines makes effective use of

water resources because the area is prone to water shortages during the dry season. For example, they treat supernatant water that accumulates in tailings facilities at recycling facilities and then reuse the water in their smelting and refining processes. The company also supplies this water as industrial water to lime slurry producers, who are suppliers for the company. Furthermore, CBNC provides, maintains, and manages water supply equipment and delivers drinking water using tanker trucks as necessary as part of its water-related contributions to local communities. In addition, a team that consists of members from the Environmental Management Office (EMO), the department that conducts environmental management activities for the company, local governments, NGOs, and other entities, strives to reduce the environmental effects of discharge by conducting regular water quality tests to determine if plant operation is having a major impact on water in the surrounding area.

The SMM Group also completes an annual CDP water security questionnaire regarding its water management. In FY2023, we established the Sumitomo Metal Mining Group Water Policy, announced it internally and externally, and informed employees about the policy.

Example Initiatives

- Prevention of excessive water withdrawal by understanding the amounts of withdrawal by source
- Reduction of water withdrawal and discharge amounts by promoting the use of recycled and reused water
- Promotion of effective use of water by understanding water balance and optimizing our amounts used
- Reduction of environmental impact by reducing amounts of hazardous chemical substances in effluent discharged into water
- Promotion of preservation of biodiversity through aquatic life monitoring surveys near our business sites
- Promotion of infrastructure development in areas where access to water is difficult

Identification of Risks Relating to Water and Biodiversity

The ICMM announced its Nature Position Statement on January 17, 2024. As a member company of the ICMM, SMM made a commitment to diagnose the dependencies and impacts on nature of our business operations and evaluate risks and opportunities in priority regions by 2026 and to identify key value chain categories and issues and formulate performance targets and objectives for key

Significant Environmental Accidents / Biodiversity

elements by 2030.

In FY2023, we established a working group under the Environmental Preservation Subcommittee to investigate initiatives addressing nature and responses to related information disclosures including the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) while continuing the reforestation and biodiversity preservation activities that we have been conducting at business sites.

Also in FY2023, we used ENCORE, which is recommended by the TNFD, to conduct analyses of the dependency and impact on nature of our Group's businesses as a whole, and based on the evaluation results, we analyzed the degree of impact of each business site on natural capital using the Integrated Biodiversity Assessment Tool (IBAT), Global Forest Watch, and the WRI Aqueduct - Water Risk Atlas, which are similarly recommended.

Responses to Risks (Reducing the Environmental Impact of Constructing New Plants)

When constructing the CBNC and THPAL refineries in the Philippines, we sought adequate dialogue with the Philippine government, local authorities and local citizens right from the planning stage and made efforts to construct plants that would have a minimal impact on the environment. For example, the pier used to deliver sulfuric acid and methanol to the plant was made to circle around the coral reef, and wastewater outlets were also positioned to ensure the reef's protection.

The refineries have set up Environmental Management Offices (EMO) that are primarily responsible in promoting environmental initiatives of the operations. Besides environmental surveys by the EMO, the environment is monitored by a team of representatives from organizations such as the DENR, local authorities and NGOs which carry out regular sampling of the air, water, flora and fauna. With this sort of environmental monitoring, we check that the construction and operation of plants do not have serious impacts on the ecosystem, while keeping environmental impacts from wastewater and other factors to a minimum.

Through our efforts in this area, CBNC and THPAL have been awarded the Philippines DENR-EMB's Presidential Mineral Industry Environmental Award (PMIEA) nine times and three times, respectively between 2014 and 2023.

Significant Environmental Accidents / Biodiversity

Environmental Impact of Business Activities (material flow)

INPUT (resources & energy)

GRI 301-1/301-2/302-1/303-3/303-5



Raw Material Input 11,998 kt

■ Percentage of Recycled Input Raw Materials Used 1.68%

Raw Materials (Total) 9,539 kt	
Gold and silver ore	175 kt
Copper concentrates	1,219 kt
Nickel oxide ore	7,790 kt
Nickel matte, etc	50 kt
Raw material for batteries	81 kt
ALC raw material, incl. silica rock	169 kt
Hydrotreating catalyst raw material	55 kt
Recycled Materials ¹ (Total) 202 kt	
Copper scrap	93 kt
Secondary zinc	3 kt
Precious metals and other secondary materials	4 kt
Electric arc furnace dust	101 kt
ALC waste	46 t
Materials (Total) 2,257 kt	
Silica sand (for copper smelting)	94 kt
Chemicals (lime-based)	1,318 kt
Chemicals (sodium-based)	103 kt
Chemicals (magnesium-based)	13 kt
Sulfuric acid	639 kt
Cement, etc.	90 kt

Energy Input² 20,789 TJ

■ Total Energy Consumption

	Energy Value	Consumption
Non-Renewable Energy Sources (Total) 20,709 TJ		
Heavy oil	1,320 TJ	32,774 kL
Coal/coke	12,545 TJ	478,486 t
Diesel/gasoline/kerosene	1,053 TJ	27,871 kL
LPG/LNG	377 TJ	7,521 t
City gas/natural gas	1,020 TJ	25,171 ML
Purchased electricity	4,393 TJ	1,220,330 MWh
Purchased steam ³	0 TJ	96 GJ
Renewable Energy (Total) 80 TJ		
Solar power generation, binary power generation	1 TJ	320 MWh
Biomass steam	76 TJ	74,164 GJ
Biomass fuel	3 TJ	260 t

Raw Material and Energy Inputs in Business Activities ▶ P.51

Water Withdrawal⁴ 174,287 ML■ Total Water Consumption from All Areas⁵ 4,504 ML

Freshwater Withdrawal (Total) 37,339 ML	
Surface water (rivers)	15,082 ML
Rainwater	40 ML
Groundwater	8,401 ML
Industrial water (water from another organization)	13,439 ML
Tap water (water from another organization)	377 ML
Sea Water Withdrawal (Total) 136,948 ML	

Water Resource Input, Water Discharge, and Water Consumption in Business Activities ▶ P.51

Figures are rounded to the nearest whole number, so totals may not match

1 Exclude materials recycled within plants

2 Fuel, heat, electricity, etc. consumed in business activities in Japan and overseas are covered, and electricity consumption is converted into joules at 3.6 GJ per 1,000 kWh

3 Purchased steam includes purchased cold water

4 We identify and assess high-water stress areas using the WWF Water Risk Filter, and the results indicate that there are no areas of high-water stress at any of our business sites

5 Water consumption is estimated by subtracting the total water discharge from the total water withdrawal for each business site. There was no water storage which would have a significant water-related impact

Significant Environmental Accidents / Biodiversity

OUTPUT (products & emissions)

GRI 303-4/305-1/305-2/305-7/306-1/306-2/306-3/G4-MM3



Products 2,206 kt ✓

■ Percentage of Products from Recycled Input 8.90% ✓

Electrolytic copper	375 kt
Gold	18 t
Silver	220 t
Electrolytic nickel	59 kt
Nickel sulfate	11 kt
Electrolytic cobalt	4 kt
Crude zinc oxide	41 kt
Chromite	78 kt
Ferronickel	27 kt
Battery materials	62 kt
Sulfuric acid	242 kt
Slag	965 kt
Hydrotreating catalysts	11 kt
ALC (Siporex)	332 ML

1 Both Japan and overseas figures are calculated based on the GHG Protocol, and emission factors are based on the Japanese law "Act on Promotion of Global Warming Countermeasures"

2 GHG emissions factors for electric power purchased in Japan are the adjusted emissions factors of electric suppliers. GHG emission factors from purchased electricity overseas are based on country-specific emission factors from IEA Emission Factors - 2023 edition

3 Discharges into rivers flowing into enclosed seas are included in "discharges into seas"



Emissions

■ Emissions into the Atmosphere

GHG	2,556 kt
Scope 1 (direct emissions) ¹	1,830 kt
Scope 2 (indirect emissions) ²	726 kt
SOx	1,692 t
NOx	1,425 t
Soot and dust	66 t

■ Discharge into Water 118 t

COD	48 t
BOD	7 t
Total phosphorus	1 t ✓
Total nitrogen	61 t ✓

4 Until FY2022, items of value were included in waste, but since FY2023, waste has been counted without including items of value

5 Industrial waste treatment is commissioned to Group companies and industrial waste is recycled for use as raw material. Accordingly, waste figures include some waste which was effectively not discharged outside the Group, in particular (hazardous) sludge

6 Total transfers to sewerage and off-site transfers

■ Release of Chemical Substances 73 t

Atmosphere	10.5 t
Public water areas	62.0 t
Soil/landfills on business premises	1.0 t

■ Total Water Discharge 175,139 ML

Discharges into seas ³	174,287 ML
Discharges into rivers	789 ML
Sewerage, etc.	62 ML

■ Waste^{4,5}, Total Waste 7,007 kt

Of which, 6,846 kt is landfill on company premises and 2,552 t is PRTR substance transfers⁶

Spoil	8 kt
Leach sludge from CBNC, THPAL, etc.	6,896 kt
Industrial waste (Japan)	102 kt
Recycling	30 kt
Other	1 kt

Release and Transfer of Chemical Substances in Business Activities ▶ P.52

Significant Environmental Accidents / Biodiversity

Trends in Final Disposal Amount of Industrial and Mining Waste in Japan

GRI 306-5




The SMM Group has long been making efforts to reduce industrial waste in Japan and the amount of wastewater sludge (mining waste) that undergoes final disposal from the mine-affiliated Toyo Smelter & Refinery. The total final disposal amount in FY2023 was 70 kt, which was a decrease of about 4 kt from FY2022. The main factor behind this decrease was a decrease in the final disposal volume of iron clinker at Shisaka Smelting Co., Ltd. (Although the volume of iron clinker as industrial waste increased, the final disposal volume of iron clinker decreased due to the increased use of raw materials.)

Final Disposal Amount of Industrial and Mining Waste in Japan  P.52

Waste by Type and Treatment Method (FY2023)

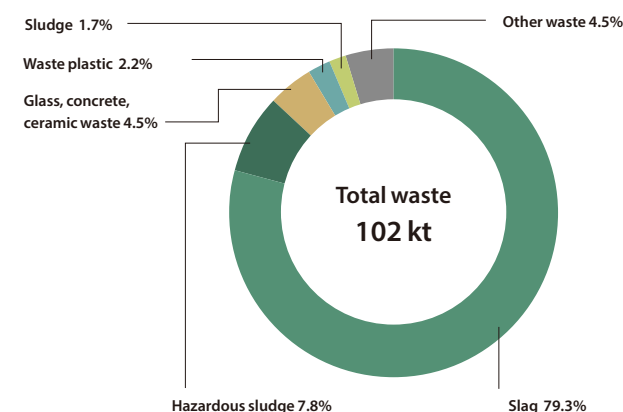
GRI 306-3/306-4/306-5

■ Waste by Treatment Method (Hazardous¹ / Non-hazardous²)

(kt)		Hazardous	Non-hazardous	Total
Treatment method ³	Recycling	7.2	23.9	31.1
	Incineration (with heat recovery) ⁴	0.2	0.6	0.7
	Incineration (without heat recovery) ⁴	0.1	0.2	0.3
	Landfill	67.1	6,904.6	6,971.8
	Volume reduction, etc.	2.2	1.0	3.2
Total		76.8 	6,930.3 	7,007.0 

(kt)		
Landfill on company premises / Contracted disposal	Landfill on company premises	6,846
	Contracted disposal	100

■ Breakdown of Industrial Waste (in Japan) by Type of Waste



Industrial waste treatment is commissioned to Group companies and industrial waste is recycled for use as raw material. Accordingly, waste figures include some waste which was effectively not discharged outside the Group, in particular (hazardous) sludge

1 In general, this depends upon definitions of the regulations in the other releasing countries concerned. Since Japan does not have such laws or regulations, SMM applies the following definition: "Specially controlled industrial waste and waste delivered to controlled landfill sites (excluding designated inert waste (5 categories of inert waste) that should have been delivered to landfill sites for inert industrial waste, but was disposed of at controlled landfill sites due to the distance limitation)"

2 Waste other than hazardous waste

3 Treatment methods outside of the Company were identified based on the written agreement with the disposal company and the manifest

4 Since FY2021 incineration has been classified into two categories: with heat recovery and without heat recovery, and the hazardous category of incineration (without heat recovery) is 0.01 kt. To unify digits, it is shown as zero

Environmental Data

Effective Use of Non-Ferrous Metal Resources

Percentage of Recycled Input Raw Materials Used

GRI 301-2

	Reporting boundary	Unit	FY2019	FY2020	FY2021	FY2022	FY2023	
Recycled raw materials and percentage used	SMM Group	kt (%)	227 (2.08)	229 (2.13)	239 (2.38)	236 (2.21)	202 (1.68)	☑

Climate Change

Greenhouse Gas (GHG) Emissions

GRI 305-1/305-2

	Reporting boundary	Unit	FY2019	FY2020	FY2021	FY2022	FY2023	
GHG Emissions (total)	SMM Group	kt-CO ₂ e	2,807	2,760	2,647	2,823	2,556	
Scope 1 (direct emissions)			1,943	1,877	1,786	1,965	1,830	☑
Scope 2 (indirect emissions)			865	882	861	858	726	☑
Emissions other than CO ₂ included in Scope ¹	Sulfur hexafluoride (SF ₆)	t-CO ₂ e	-	-	-	1,847	0	
	Hydrofluorocarbons (HFCs)		-	-	-	630	617	
	Methane (CH ₄)		-	-	-	149	161	
	Nitrous oxide (N ₂ O)		-	-	-	0	0	
	Nitrogen trifluoride (NF ₃)		-	-	-	0	0	
	Perfluorocarbons (PFCs)		-	-	-	0	0	

Figures are rounded to the nearest whole number, so totals may not match

Both Japan and overseas figures are calculated based on the GHG Protocol, and emission factors are based on the Japanese law "Act on Promotion of Global Warming Countermeasures"

GHG emissions factors for electric power purchased in Japan are the adjusted emissions factors of electric suppliers

GHG emissions factors for electricity purchased overseas are based on the IEA Emissions Factors - 2023 edition

¹ Disclosure from FY2022 based on the GHG Protocol

Energy and GHG Emissions Intensity Indices¹ (Reporting boundary: Smelting & Refining Business in Japan)

GRI 302-3/305-4

	Reporting boundary	Unit	FY2019	FY2020	FY2021	FY2022	FY2023	
Energy intensity index	SMM Group	-	0.70	0.65	0.65	0.62	0.59	☑
GHG emissions intensity index			0.67	0.63	0.64	0.60	0.58	☑

¹ Energy and GHG emissions intensity indices: The amount of energy and GHG emitted during the production of 1 ton of product, assuming the base year FY1990 value to be 1

Environmental Data

Significant Environmental Accidents / Biodiversity

Raw Material and Energy Inputs in Business Activities

GRI 301-1/301-2/302-1

Raw Material Input

	Reporting boundary	Unit	FY2019	FY2020	FY2021	FY2022	FY2023	
Raw materials (total amount)	SMM Group	kt	13,116	12,777	11,936	12,840	11,998	
Raw materials			10,646	10,524	9,808	10,424	9,539	✓
Recycled materials ¹			227	229	239	236	202	✓
Materials			2,243	2,024	1,889	2,180	2,257	✓

Figures are rounded to the nearest whole number, so totals may not match

¹ Exclude materials recycled within plants

Energy Input

	Reporting boundary	Unit	FY2019	FY2020	FY2021	FY2022	FY2023	
Energy Input (caloric value)	SMM Group	TJ	32,052	31,728	30,651	22,762	20,789	✓
Renewable energy			19	12	74	66	80	
Non-renewable energy sources			32,033	31,716	30,577	22,696	20,709	

From FY2022 onward, fuel, heat, electricity, etc. consumed in business activities in Japan and overseas are covered, and electricity consumption is converted into joules at 3.6 GJ per 1,000kwh

Water Resource Input, Water Discharge, and Water Consumption in Business Activities

GRI 303-3/303-4/303-5

Water Resource Input

	Reporting boundary	Unit	FY2019	FY2020	FY2021	FY2022	FY2023	
Water withdrawal ¹	SMM Group	ML	180,348	200,305	181,271	197,186	174,287	
Freshwater withdrawal								
Surface water (rivers)			14,085	13,717	13,954	15,321	15,082	✓
Rainwater			36	68	53	44	40	✓
Groundwater			8,059	6,657	7,108	7,586	8,401	✓
Industrial water (water from another organization)			14,293	14,339	14,437	14,346	13,439	✓
Tap water (water from another organization)			407	393	417	391	377	✓
Seawater withdrawal			143,468	165,132	145,301	159,500	136,948	✓

Figures are rounded to the nearest whole number, so totals may not match

¹ We identify and assess high-water stress areas using the WWF Water Risk Filter, and the results indicate that there are no areas of high-water stress at any of our business sites

Water Discharge

	Reporting boundary	Unit	FY2019	FY2020	FY2021	FY2022	FY2023	
Water discharge (total)	SMM Group	ML	174,392	199,057	176,781	196,736	175,139	
Seas ¹			173,456	198,051	175,753	195,792	174,287	✓
Rivers			890	965	974	879	789	✓
Sewerage, etc.			47	42	55	65	62	✓

Figures are rounded to the nearest whole number, so totals may not match

¹ Discharges into rivers flowing into enclosed seas are included in "Discharge into Seas"

Water Consumption

	Reporting boundary	Unit	FY2019	FY2020	FY2021	FY2022	FY2023	
Total water consumption from all areas	SMM Group	ML	6,195	4,281	4,917	3,552	4,505	✓

Water consumption is estimated by subtracting the total water discharge from the total water withdrawal for each business site

Refer to Water Accounting Data for more details about Water Resource Input, Water Discharge and Water Consumption

PDF Water Accounting Data
https://www.smm.co.jp/en/sustainability/data/pdf/Water_Accounting_Data_2024_EN.pdf

Environmental Data

Release and Transfer of Chemical Substances in Business Activities

GRI 303-4/305-7

		Reporting boundary	Unit	FY2019	FY2020	FY2021	FY2022	FY2023	
Releases into the atmosphere (total)		SMM Group	t	2,742	3,257	3,175	3,295	3,182	
Releases into the atmosphere	SOx			1,376	1,733	1,739	1,715	1,692	✓
	NOx			1,271	1,444	1,352	1,512	1,425	✓
	Soot and dust			95	80	84	68	66	✓
Discharge into water (total)		SMM Group	t	68	64	59	65	55	
Discharge into water	COD ¹ (chemical oxygen demand)			55	49	48	49	48	✓
	BOD ² (biochemical oxygen demand)			13	15	12	16	7	✓
Transfer/release of PRTR Substances (total)		SMM Group	t	2,217	1,907	2,035	2,522	2,626	
Transfer				2,120	1,822	1,958	2,438	2,552	✓
Release	Release (total)			97	85	77	84	73	✓
	Landfill (SMM premises)			2.7	0.8	0.8	0.8	0.4	✓
	Soil			0.7	1.7	0.9	0.7	0.6	✓
	Water			78.5	73.5	66.6	74.7	62.0	✓
	Atmosphere			15.4	8.6	8.8	8.1	10.5	✓

Figures are rounded to the nearest whole number, so totals may not match

1 COD (chemical oxygen demand): Measured for discharge into seas, including discharge into rivers flowing into enclosed seas

2 BOD (biochemical oxygen demand): Measured for discharge into rivers, excluding discharge flowing into enclosed seas

Final Disposal Amount of Industrial and Mining Waste in Japan

GRI 306-5

		Reporting boundary	Unit	FY2019	FY2020	FY2021	FY2022	FY2023	
Final disposal amount (total) ¹		SMM Group	kt	71	52	60	74	70	✓
Industrial waste				70.1	50.9	59.0	73.7	69.0	
Mining waste ²				0.8	0.7	0.7	0.7	0.7	

1 Includes waste destined for landfills and incineration without heat recovery

2 Mining waste in the form of wastewater sludge generated by mine-affiliated Toyo Smelter & Refinery that is landfilled within the business site

Environmental Preservation-Related Investments in Capital Expenditures

		Reporting boundary	Unit	FY2020	FY2021	FY2022	FY2023	FY2024 (plan)
Investments related to environmental preservation (Total)		SMM Group	JPY million	6,054	7,706	12,171	14,086	19,577
Pollution prevention / environmental preservation				5,715	7,549	11,694	13,772	18,961
Energy conservation				339	157	477	314	616
Percentage of environmental preservation-related investments to capital expenditures		SMM Group	%	17.3	11.9	8.6	9.5	11.2

Figures are rounded to the nearest whole number, so totals may not match

Rehabilitated Area

GRI 2-4/G4-MM1

		Reporting boundary	Unit	A Total area of land developed but not rehabilitated (as of the end of FY2022)	B Area of land newly developed in FY2023	C Area of land newly rehabilitated in FY2023	D Total area of land developed but not rehabilitated (A+B-C)
Amount of land developed or rehabilitated (FY2023) ✓	SMM Group	Hishikari Mine		22	0	0	22
		Coral Bay Nickel	ha	432	0	2 ¹	430
		Taganito HPAL		456	41	9 ²	488

Figures are rounded to the nearest whole number, so totals may not match

1 In addition to the rehabilitated area within the development site mentioned above, CBNC cooperated with the Philippine government to proceed with the rehabilitation of an additional 15 hectares in nearby regions outside the development site in FY2023, bringing the total certified rehabilitated area to 164 hectares (including bamboo groves) to date

2 In addition to the rehabilitated area within the development site mentioned above, THPAL cooperated with the Philippine government to proceed with the rehabilitation of an 60 hectares in nearby regions outside the development site in FY2023, bringing the total certified rehabilitated area to 670 hectares to date. (The figures in the past fiscal years for the rehabilitated area outside the development site were reviewed and revised)

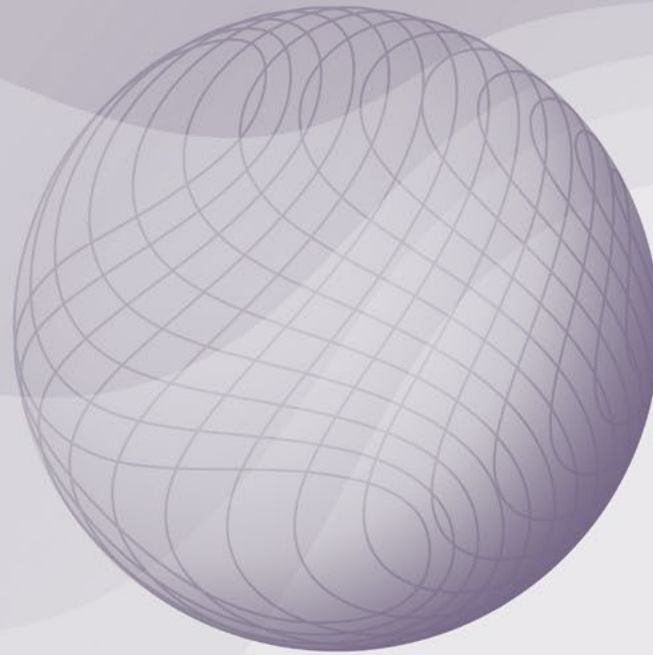
Business Activities in Areas of High Biodiversity Value¹

GRI 304-1/G4-MM2

Currently, there are no projects in any region requiring the preparation of a management plan.

		Reporting boundary	Unit	FY2023	
Regions and production sites	SMM Group	Seto Island Sea	ha	62	Shisaka Smelting Co., Ltd. (production site) operates on Minoshima and Ienoshima islands, neighboring Setonaikai National Park. Neighboring areas equivalent to IUCN Category 2
		Philippines		583	

1 Areas classified as protected by IUCN as Category 4 or higher and adjacent areas or areas with high biodiversity value that are considered equivalent (SMM's survey). Areas classified as Category 1 are of highest priority



Social

- 54 **Business and Human Rights**
 - Human Rights of Employees
 - Rights of Indigenous Peoples
 - Human Rights in the Supply Chain
- 60 **Diverse Human Resources / Development and Participation of Human Resources**
- 81 **Employees' Occupational Health and Safety**
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- 96 **Social Data**

Business and Human Rights

Basic Approach

GRI 2-25/3-3

Business operations in resource industries require large-scale development in many instances, which means they often have significant impacts on local communities. Mineral resource development in particular poses risks of causing human rights violations including child labor. In light of these business characteristics, the SMM Group takes measures to respect the human rights of stakeholders with an emphasis on local residents and indigenous peoples, employees in the supply chain, and our Group employees.

Our Group supports the UN Guiding Principles on Business and Human Rights, and our Group Corporate Philosophy espouses “respect for all individuals” as its foundation. In accordance with our Group’s human rights policy, we promote initiatives to uphold human rights, including the implementation of due diligence and the operation of grievance (remedy) mechanisms.

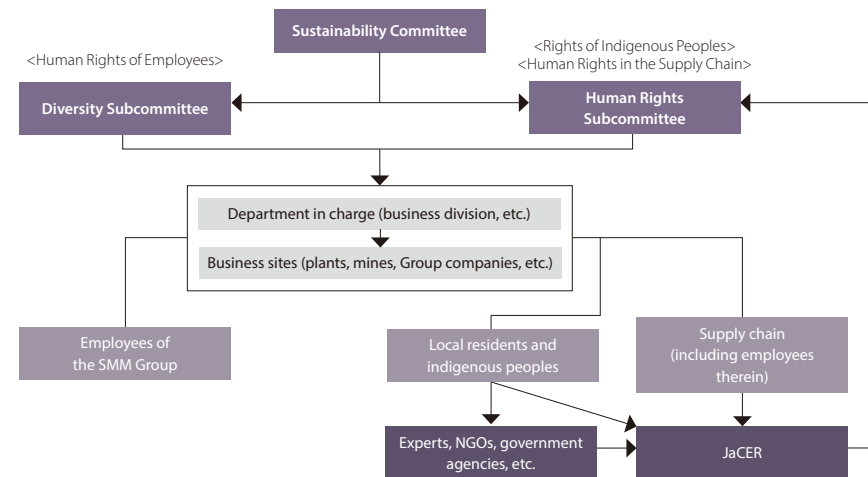
Management Framework

GRI 2-24/3-3

The Diversity Subcommittee and the Human Rights Subcommittee, which are subordinate organizations of the Sustainability Committee overseen by the Board of Directors and chaired by the president, report regularly to the Committee on their activities and reflect them in the Group policies and procedures to promote initiatives. Regarding the human rights of employees of the SMM Group, the Diversity Subcommittee, with the Human Resources Department serving as its secretariat, works with business divisions and operational divisions in the Head Office to address human rights issues through our organizational structure.

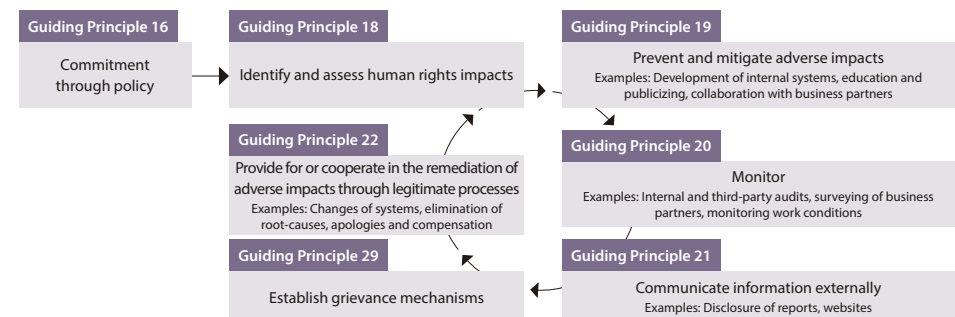
Regarding the human rights of local residents and indigenous peoples, and supply chain (including employees therein), the Human Rights Subcommittee, with the Sustainability Department serving as its secretariat, works with business divisions and operational divisions in the Head Office to address each group of stakeholders.

Management Framework Chart



Business and Human Rights Initiatives Process

Initiatives relating to business and human rights based on the UN Guiding Principles are organized in the figure below. The SMM Group conducts due diligence and operates a grievance mechanism in accordance with our human rights policy and discloses the details in sustainability reports and other formats.



Business and Human Rights

The Sumitomo Metal Mining Group Policy on Human Rights

GRI 2-23/2-24

In 2022, the SMM Group revised its human rights policy. The revised policy sets forth the Group's commitments on fundamental human rights issues, including respect for children's rights and prohibition of child labor, and prohibition of discrimination, harassment, and bullying on the basis of race, religion, gender, age, sexual orientation, disability, nationality, and other factors. We are also committed to respecting human rights based on international norms such as the International Bill of Human Rights, the ILO Core Labor Standards (10 conventions in five areas: effective approval of freedom of association and workers' right to collective bargaining; prohibition of all forms of forced labor; effective elimination of child labor; elimination of discrimination in employment and occupation; safe and healthy working environment). In the unlikely event of a conflict between applicable laws and regulations and international norms on human rights in the regions in which we operate, we seek ways to respect international norms while complying with the laws and regulations.



The Sumitomo Metal Mining Group Policy on Human Rights

https://www.smm.co.jp/en/sustainability/management/humanrights_procurement/

Human Rights Due Diligence

GRI 2-25/3-3

Our Group conducts human rights due diligence (DD) in accordance with the OECD Due Diligence Guidance for Responsible Business Conduct, and other standards.

Human Rights of Employees ▶ P. 56

Rights of Indigenous Peoples ▶ P. 56-57

Human Rights in the Supply Chain ▶ P. 58-59

Grievance Mechanism

GRI 2-25/2-26

With respect to complaint handling (grievance) mechanisms, the Group established an internal reporting system for Group employees. We also have a platform operated by a third-party available for use even by outside stakeholders as a grievance mechanism. This platform is provided by the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), which was established in 2022. SMM participates in JaCER as a founding member (regular member). JaCER is an organization that aims to support and promote the redress of grievances of member companies from a professional standpoint by providing a non-judicial Engagement and Remedy Platform for grievance redress based on the United Nations Guiding Principles on Business and Human Rights. They also established an Advisory Board consisting of external experts and an Advisory and Mediation Panel and Investigation Panel consisting of independent experts.

● Grievances received by JaCER about the Group: 0 (FY2023)



JaCER

<https://jacer-bhr.org/en/index.html>

Business and Human Rights

Human Rights of Employees

Approach and Policy

The SMM Group takes action in accordance with its human rights policy to prevent not just violations of human rights, such as child labor and occupational health and safety at Group mines, smelters, and other facilities, but also the occurrence of workplace discrimination and harassment.

In-House Education on Human Rights

GRI 2-24

Setting December of every year as Human Rights Month, we undertake human rights training throughout our Group. We conducted e-learning on the human rights policy revised in FY2022, and we are conducting human rights training with “embracing diversity in creating workplaces where all employees can actively participate” as the themes for 2022 to 2024.

Surveys on Employee Human Rights and Corrective Action

GRI 2-24

We conduct surveys (employment environment surveys) on topics including harassment and communication issues for our Group in Japan. Based on surveys conducted through questionnaires, we conduct interviews as necessary and take action to correct problems. In FY 2023 the Group executed surveys at two domestic sites.

Rights of Indigenous Peoples

Approach and Policy

GRI 3-3

Mine development, smelting, and refining can have a considerable effect on the environment and local communities and there is a risk that the rights of the indigenous peoples living on the land, who generally occupy a vulnerable position in society, will be violated. Therefore, we think it is most important to operate business while gaining the understanding and trust of these indigenous peoples. The Group respects international norms including the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), which provides for consideration of the right to “free, prior and informed consent (FPIC),” a distinctive right of indigenous peoples, as well as at the Position Statement of the International Council on Mining and Metals (ICMM). We will continue to engage in dialogue based on an understanding of the traditions and cultures of indigenous peoples with the aim of developing mutual understanding and trust while cooperating with relevant stakeholders including local governments in the areas where we conduct business.

Dialogue with Indigenous Peoples

GRI 2-24/2-25/411-1/G4-MM5/G4-MM6/G4-MM7

In the Philippines, after acquiring Environmental Compliance Certificates through many consultations with stakeholders, including governments and indigenous peoples, we started operating Coral Bay Nickel Corporation (CBNC) in 2005 and Taganito HPAL Nickel Corporation (THPAL) in 2013. Even after operations started, we established organizations to carry out local social development (Social Development) in accordance with local laws and regulations, and are engaged in a Social Development and Management Program (SDMP). Specifically, CBNC holds regular information exchanges with 22 barangays,¹ including 11 “impact barangays” near Rio Tuba, while THPAL holds them with 14 barangays, including four neighboring “impact barangays.” Based on these exchanges, budgets are prepared for the categories of health, education, welfare, livelihood, etc., and free health checkups, medical treatment, agricultural assistance, etc. are provided after obtaining approval from the local government. In addition, we also separately budget for activities not included in the SDMP, such as the construction of schools and assembly halls for indigenous peoples to educate them about their culture and unique languages.

In Canada, together with, IAMGOLD Corporation, our partner in the Cote Gold Project for which the decision to begin construction was made in 2020, we have held ongoing dialogue with indig-

Business and Human Rights

enous people affected by it, as well as providing explanations before gaining approvals, with the aim of helping them understand the project. We have fostered relationships of mutual trust and understanding with the organization through participation in initiatives such as cultural workshops hosted by the organization, and as a result, we were able to conclude an Impact Benefit Agreement. Currently, we are working with indigenous groups and partners to construct a new lake with the same water surface area as the lake on the proposed development site, and to conserve biodiversity by releasing aquatic organisms from the existing lake into the newly constructed lake and surrounding water system.

Moreover, there have been no incidents of serious conflicts concerning land use or the customary rights of indigenous peoples reported in the vicinity of any of the mines or smelters and refineries in which we have more than 50% interest. There have also been no such incidents reported through channels including JaCER (grievance remedy platform).

¹ The smallest administrative division that makes up cities and towns in the Philippines, and denotes a village, district, or ward

Dialogue with Experts, NGOs, and NPOs

GRI 2-29

We work to raise the direct contribution we make to the local economy through measures such as recruiting from areas surrounding our business site and procuring from local suppliers, and we also contribute to improving the living standards of these communities, particularly in emerging nations, by providing infrastructure such as roads and ports, building needed facilities, building and operating public facilities such as schools, hospitals, and marketplaces, providing teaching materials as educational support and the goods required to operate facilities, supporting free healthcare for local communities, and promoting activities that help households to support themselves. When implementing these measures, we establish opportunities for regular communication with local communities and move forward while also checking the requirements of residents. In addition, twice a year we exchange opinions with the international environmental NGO FoE Japan regarding issues such as the water quality of rivers around Coral Bay Nickel Corporation (CBNC) and Taganito HPAL Nickel Corporation (THPAL), in the Philippines. Those opinions and recommendations are referred to when implementing necessary improvements.

Implementation of In-House Education

GRI 2-24/2-25

The SMM Group conducts in-house education to ensure that employees understand who indigenous people are and how the Group should handle indigenous rights. This education will enable employees to understand that it is an issue that concerns us all through messages from top management and case studies from within the Group. Regarding education content, we are also continuing dialogues with experts¹ on indigenous people by receiving guidance to ensure fairness in the materials.

Acting under the guidance of experts, we will continue our efforts to further deepen Group employees' understanding of indigenous peoples and their traditions and cultures.

¹ Keiichi Omoto (emeritus professor of anthropology at the University of Tokyo), Tomoaki Nishihara (professor at Seisa University), Eiichiro Noguchi (coordinator of the NGO Taiga Forum)

Business and Human Rights

Human Rights in the Supply Chain

Approach and Policy

GRI 3-3

The SMM Group aims to build a sustainable supply chain in cooperation with its stakeholders. In our supply chains, we monitor risk related to human rights and labor, compliance, quality assurance, and environment and local communities in accordance with “the SMM Group Sustainable Procurement Policy,” which is based on international standards. Should any issues occur, they are corrected. In regard to the sourcing of minerals in particular, in order to avoid procuring minerals that may have negative impacts such as child labor and other human rights abuses or environmental pollution, we carry out activities with respect to the Organisation for Economic Co-operation and Development (OECD) guidance and in accordance with “the SMM Group Responsible Mineral Sourcing Policy.”

“Responsible Mineral Sourcing” Working Group

The SMM Group established the Responsible Mineral Sourcing Working Group, a subordinate body of the Sustainability Committee, to address issues concerning sourcing of raw materials. The chairperson of the working group is the General Manager of the Non-Ferrous Metals Division, the deputy chairperson is the General Manager of the Sustainability Department, and the Non-Ferrous Metals Division serves as its Secretariat. The working group formulates policies on responsible sourcing of raw materials, approves the annual report on supply chain due diligence relating to raw materials, and takes other action.

Initiatives for Responsible Mineral Production and Sourcing

GRI 2-24/2-25/G4-MM8

We are aware of the importance of ensuring transparency throughout the entire supply chain with respect to the mineral sourcing, which has a long and complex supply chain from upstream to downstream, and we undertake responsible mineral sourcing initiatives in line with mechanisms advanced by the international Responsible Minerals Initiative (RMI) to ensure supply chain transparency (see figure on the right). These mechanisms aim to ensure transparency in the supply chain in a more efficient manner by starting with smelters and refineries, which are relatively few in number.

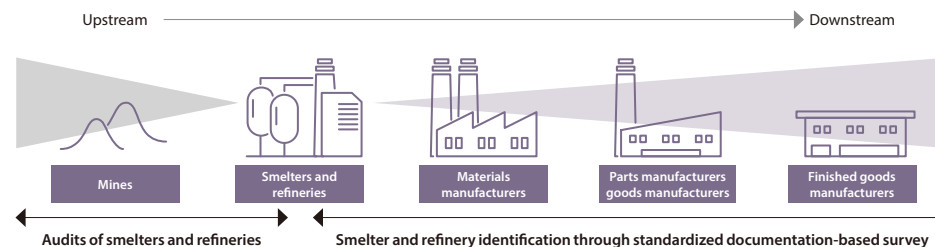
Upstream of smelters and refineries, we regularly undergo third-party, international standards-based audits of responsible mineral sourcing mechanisms at our smelters and refineries, covering

matters including risk assessments of suppliers. Since audit standards vary from mineral to mineral, we work to ensure that each standard is met by conducting due diligence, developing internal systems and regulations, and providing internal training. The table below shows the status of third-party audits at our smelters and refineries.

At the finished goods manufacturers downstream from the smelters and refineries, a standardized survey is extended for the purpose of identifying the smelters and refineries that produced the minerals used in their products. We have established an approval process for responses to these surveys, which are sent from the supply chain to customer companies, and are working to ensure unified responses across the SMM Group. In FY2023 we responded to 321 survey questions.

 **SMM Group Responsible Mineral Sourcing Policy**
<https://www.smm.co.jp/en/sustainability/management/procurement/>

Responsible Mineral Sourcing Initiatives Promoted by the RMI



Status of Third-Party Audits at Our Smelters and Refineries

	Subject minerals				
	Gold	Silver	Cobalt	Nickel	Copper
Audit standards (issuing organization)	RGG (LBMA)	RSR (LBMA)	RMAP Cobalt (RMI)	JDDS (The Copper Mark)	JDDS (The Copper Mark)
Certification body	LBMA	LBMA	RMI	RMI	RMI
Audit start date	FY2012	FY2018	FY2020	FY2022	FY2023

For details on certification results, please refer to the SMM website.
 There are no instances of artisanal and small-scale mining (ASM) within or adjacent to SMM business sites.

 **Mineral Sourcing Policy and Report**
<https://www.smm.co.jp/en/sustainability/management/procurement/>

Business and Human Rights

Initiatives Related to Sustainable Procurement

GRI 2-24/2-25/308-2/414-2

In addition to responsible mineral sourcing, the SMM Group formulated the Sumitomo Metal Mining Group Sustainable Procurement Policy, which provides for cooperation with stakeholders to carry our procurement activities that consider human rights and labor, compliance, quality assurance, and environment and local communities with the aim of building sustainable supply chains throughout the Group.

We requested our main business partners (suppliers) to agree to this policy, and 99% have agreed. In addition, we ask those suppliers who agreed to the policy to complete a self-assessment questionnaire (SAQ) concerning sustainable procurement, and responses have been received from 98%.

The responses to the SAQ reveal that about 85% of overall evaluations were accounted for by the highest of the five levels of evaluation (i.e., S, A, and B evaluations), confirming that many business partners are advancing initiatives related to sustainability. For those business partners that received a C or D rating, we selected one company from each business division and purchasing department for a total of five companies and exchange opinions with them concerning sustainability (in particular, business and human rights) with the objective of leading to improvements by the suppliers.



Sumitomo Metal Mining Group Sustainable Procurement Policy
https://www.smm.co.jp/en/sustainability/management/csr_procurement/

SMM Response Concerning Johnny and Associates

Our human rights policy provides that if a supplier or other stakeholder is involved in an adverse impact on human rights, we will encourage that stakeholder to not engage in any violation of human rights and we cooperate with corrective or remedial measures.

We believe that the sexual abuse committed by the late Johnny Kitagawa, former president of Johnny and Associates, Inc. (currently SMILE-Up, Inc.), constitutes a violation of human rights and cannot be tolerated.

SMM had a business relationship with Johnny and Associates through its supply chain in the area of corporate advertising, and as a company that was in a position to mitigate human rights risks in supply chains, we requested that Johnny and Associates take corrective action. We also performed periodic monitoring and reported our assessment to the firm.

The artist that we had engaged became independent from the agency in November 2023, and we currently do not have any business relationship with the agency.

For details, please refer to the following SMM press release



Regarding efforts against SMILE-UP Inc.(follow-up)
<https://www.smm.co.jp/en/news/release/2024/02/001806.html>

Diverse Human Resources /Development and Participation of Human Resources

Approach and Policy

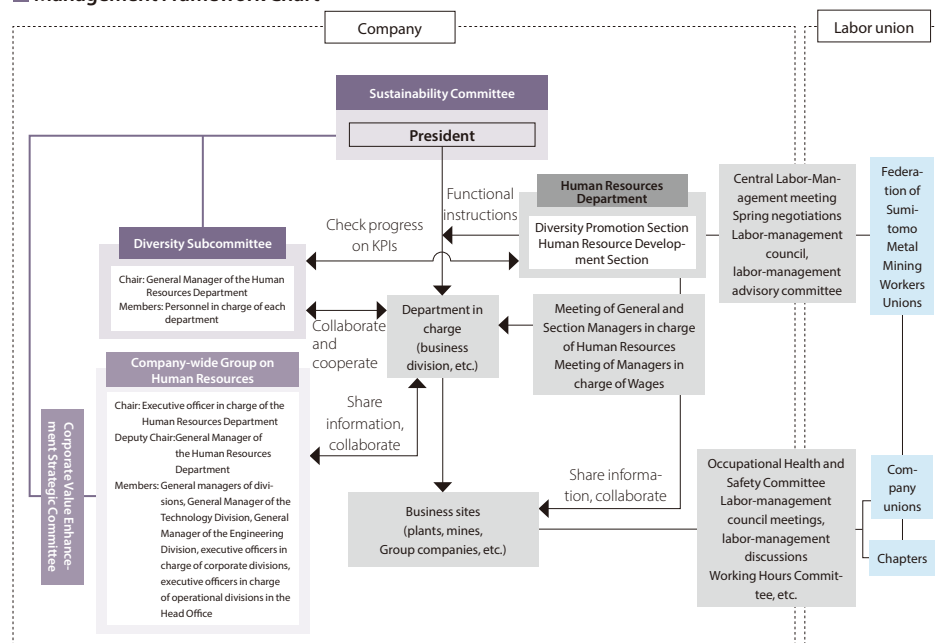
GRI 3-3

The environment in which the Group conducts business is undergoing major changes, and it is necessary that we implement growth strategies, enhance corporate value, and build solid management foundations as a company that can adapt to that change. Human resources are at the center of these efforts, and we believe that it is important that we achieve growth strategies as an organization where diverse human resources respect one another's ideas and can demonstrate maximum capabilities to work toward the same goals.

Management Framework

GRI 3-3

Management Framework Chart



Company-wide Group on Human Resources

With the executive officer in charge of the Human Resources Department as the Chair and the General Manager of the Human Resources Department as the Deputy Chair, the Company-wide Group on Human Resources is placed within the Corporate Value Enhancement Strategic Committee to link management strategy with human resources strategy. In addition to promoting the rational assignment of human resources, the group engages in discussions of cross-company human resources strategies related to the securing, fostering, and utilization of human capital, including the systematic development of the next generation of management and future managers. It meets one or more times per quarter.

Diversity Subcommittee

With the Human Resources Department as its secretariat, the Diversity Subcommittee engages in discussions and confirmation of progress on KPIs, placing a particular focus on diversity within the area of human resources utilization. It is composed of members from other departments and meets two or more times per year.

Central Labor-Management Meeting

The Central Labor-Management meeting is held at least once a year to contribute to trouble-free discussions and negotiations between labor and management and to the stability of labor-management relations. Participating parties include all officers, including the president, on the company side, and the Federation of Sumitomo Metal Mining Workers Unions and all company union committee chairs on the union side. We explain the Company's business situation and outlook to the union and engage in active exchanges of opinions with union executives.

Local Labor-Management Discussions

Local Labor-Management meetings are arranged one or more times per month as venues to regularly explain our business situation to labor unions (company unions and chapters) and employee representatives, and to collect opinions and requests from employees. In response to requests regarding occupational health and safety and improvements to work, we perform checks of situations and then enact necessary improvement measures.

Diverse Human Resources /Development and Participation of Human Resources

Human Resource Strategy

GRI 3-3

To realize our Vision for 2030, we consider it imperative to adapt to the constantly changing market environment and evolve into a company which will successfully achieve sustainable growth. The key to this is developing a corporate culture that enables continuous taking on of challenges, change, and growth. We believe that in order to do this, it is important that we pay compensation suitable for the duties and responsibilities of each employee and that we draw out the maximum potential of each individual.

As a first step toward achieving this, we revised the personnel system for managerial track employees and introduced a job grade system in July 2023. Job value is determined based on factors such as job responsibilities, degree of difficulty, and impact, and we provide opportunities to participate by enhancing the alignment between job duties and responsibilities with compensation, regardless of age or duration of employment, thereby improving the motivation of all managerial track employees. In conjunction with system reforms, we also extended the mandatory retirement age for managers and created a system for senior employees (employees over the age of 65). In addition, to achieve the objectives of the personnel system for managerial track employees, we introduced a career challenge program (in internal recruiting system) in December 2023.

Human Resource Development

GRI 3-3/404-2

Approach to Human Resource Development

We believe that human resources are the key to achieving our growth strategies, and we are taking action to recruit the human resources that will be necessary for carrying out strategies from a medium- to long-term perspective. For areas and positions that require medium- to long-term development, we assign recent graduates to positions based on our policy of hiring the few very best candidates, and for positions necessary for carrying out large-scale projects and quickly executing business expansion strategies, we actively recruit experienced and specialized human resources from outside the company.

We also believe that self-driven growth by every employee hired in this manner will lead to sustainable growth by the Group. In order to build a new business model and adapt to a changing business environment, we provide all employees with opportunities to improve their capabilities and are developing human resources who can steadily execute on growth strategies.

We consider self-development by individual employees and practical on-the-job training (OJT) that is planned and continuously carried out through everyday work, along with appropriate assignment of personnel resources with an intention of development, to be the foundation for employees' growth. In OJT, we encourage not only acquisition of knowledge and skills for jobs but also growth as a person. In off-the-job training (OFF-JT), we are constructing a system for diverse training, workshops, online video-based learning, e-learning, and other training for each human resource management classification¹ and are promoting self-development by employees.

Under the thinking that appropriate involvement of superiors is important in the growth of subordinates, superiors make efforts to actively support the motivation and enthusiasm of subordinates. Regarding the target management system that we introduced with the objective of achieving both individual growth and sustainable growth by the Company, we evaluate employees' medium- to long-term efforts and attitudes toward challenges. We also provide active support for career development, including transfer requests, so that all employees can independently consider their careers and work with motivation. When performing employee evaluations, we clarify the points of emphasis by adjusting the allocation of evaluation points according to the employee's job duties, responsibilities, and roles. In addition to conducting interviews to provide feedback at the end of each fiscal year as a means of sharing information on evaluations, superiors also hold one-on-one meetings with their subordinates to improve the quality of communication between superiors and subordinates and draw out the capabilities of every individual.

In addition to the Human Resources Division, we conduct division-specific and function-specific human resource development. For specific function, we clarify the person in charge of development and engage in Company-wide development and utilization (assignment) of human resources.

¹ To accommodate differences in goals and basic approaches in development and utilization (assignment), we have established human resource management classifications of "managerial track" and "operating track" in line with the roles of employees, and are developing different human resource development systems

Diverse Human Resources /Development and Participation of Human Resources

Medium-Term Targets Relating to Human Resource Development

To achieve our Vision for 2030, we set the one-on-one meeting implementation rate and the rate of utilization of self-development programs (online learning tools) as medium-term targets relating to human resource development.

We conduct one-on-one meetings to draw out the motivation and potential of each employee and boost personal growth through periodic dialogues between superiors and subordinates, and we are working toward achieving a 100% implementation rate in FY2030.

Also, in conjunction with the revision of the managerial track personnel system in July 2023, we introduced online training tools for all managerial track employees and encourage their use with the aim of creating a corporate culture in which all employees continue to learn and grow, and we are encouraging use to reach a utilization rate of 60% in FY2030.

Training Systems

We are building training systems aimed at improving the capabilities required for each human resource management classification, hierarchical level, and individual.

SMM Human Resource Development Program

	Officers	Managers (managerial track employees)	General employees (managerial track and operating track employees)
OJT			OJT programs for new employees
			Function-specific OJT programs for new employees Mining School
Self-development	Support for self-development		Brush-up training
			e-learning
			Foreign language programs
			Fee assistance for language proficiency tests
			Correspondence education
			General culture education (Head Office)
			Overseas training
			Language training prior to overseas assignment
			Global staff training
			Compliance seminar
	Development of global human resources		Human rights seminar, seminar on promotion of diversity
			JCO Study Center training
	Compliance, governance, risk management		
	External training		Pursue higher education in Japan
			Dispatch to MINETEC
	Safety, skills		Training in Japan
			Hazard simulation training
	Women's career support		Equipment skills training
			Training with women from other industries
	3-year program for managerial track new employees		Individual career support
	Mid-career hires		Training program for new employees
			Short-term overseas training
	Hierarchical level-specific training		Second-year training
			Third-year graduation paper presentation
	Off-JT		Seminar for newly promoted employees (E-class, S-class, F-class)
	Development of next generation of management		Class-specific training
			Preparatory curriculum (e-learning)
	Career training		Middle Management Program
			Officers' Coaching School
	Project leaders		Training to develop the next generation of executive managers
			Training and seminars with other companies' managerial track employees
	Specialized education		Career design training for persons in their 30s (Head Office)
			Career design training (at age 58, 50, 43 and 35)
	Work-life support		Project management training
			Outside seminars and workshops
			New employee's supervisor training
			Supervisor/line leader training
			Problem-solving training for office workers
			Smelting & Refining University
			Seminar for balancing work with child-rearing and nursing care

■ Education for managerial track employees ■ Education for operating track employees ■ Education for all employees

Diverse Human Resources /Development and Participation of Human Resources

Hierarchical Position-Specific Education for Managerial Track Employees

This education falls under two types: grade-specific training conducted when employees are assigned to a job grade corresponding to staff in charge of a business or bearing duties and responsibilities for managing a workplace, and preparatory curriculum that must be taken in advance. The education enables employees to take on the duties and responsibilities demanded of each job grade category and to deliver results.

Grade-specific training	In this training, employees visit Sumitomo's and Company-related facilities to encounter the Sumitomo Business Spirit and the Company's history, to reaffirm their self-awareness and their responsibilities as employees of the Company.
Preparatory curriculum	We are developing e-learning aimed at advance acquisition of the knowledge and skills (in-house knowledge, problem solving, management skills, etc.) that employees need in order to take on the duties and responsibilities of higher job grade categories. We expect employees to independently envision their careers and study and acquire required knowledge, capabilities, and skills in advance to enhance their capabilities for executing work and to put this into practice through their work.

3-Year Program for Managerial-Track New Employees

We consider the first three years since joining the Company to be a development period for new employees, during which the foundation for the employees as a business person is formed. By urging employees to envision their futures beyond those first three years, encouraging self-improvement under clearly defined three-year goals, and conducting training programs at set times, we promote new employees' growth.

Training program for new employees	We conduct new employee training for about one month under a curriculum focused on classroom learning, group work, and visits to business sites and facilities related to the Company, while also teaching fundamental matters for working persons. This training is aimed at equipping employees with an awareness as employees of the Company and a recognition of their responsibilities. Together with this training, we implement overseas language training and other programs to develop global human resources. FY2023 attendance rate: 100%
Second-year training	We work to enhance motivation toward work and engagement with the organization by providing employees with opportunities to reaffirm their positions and expected roles, as well as to envision their future careers, by looking back on their first two years since joining the Company. FY2023 attendance rate: 93.2%
Third-year graduation paper presentation	To wrap up the three-year development system, we hold a paper presentation event aimed at letting employees reaffirm their roles and organize their medium- to long-term career prospects. We work to promote self-driven career formation by having employees summarize work and the issues that they tackled during their first three years, along with their career prospects to tenth years. FY2023 attendance rate: 92.2%

Development of Next Generation Management

We believe in the importance of expanding our human resource pool of the next generation management through planned development. Toward that end, we implement multiple selection-based programs (Middle Management Programs, Training to develop the next generation executive managers, Officers' Coaching School, etc.) for specific target groups to develop human resources. We also actively dispatch personnel to multiple external programs and, through training and seminars with next generation management resources outside the company, work to equip employees with perspectives not obtainable within our Company alone.

Officers' Coaching School	We launched the Officers' Coaching School in 2014 as a venue for executive officers and the school's students to inspire each other and consider their self-development. Each class consists of junior and middle-management employees. Executives serve as the head and deputy head of each class, which operates independently. Classes established based on functions such as mineral resource business, smelting and refining business, materials business, research and development, equipment and technology, human resources, accounting, and sales select key themes for the Company and engage in activities with the goals of strengthening the ability to learn together and to put learning to practical use in the workplace.
Training to develop the next generation executive managers	We have held training to develop the next generation executive managers since FY2011. This training is for the purpose of selecting human resources who will lead our Company in the near future and teaching them the fundamentals of management. We are implementing a practical program of about eight months to place participants at the starting line of change and growth, thereby fostering commitment and motivation, and to provide the knowledge and train the thinking skills necessary for running a company.
Middle Management Program (MMP)	Since FY2008, we have been carrying out MMP as a program to select human resources who can be expected to lead organizations in the future, and to equip these persons with more high-level perspectives. Through discussions on material issues for the achievement of Vision for 2030 over the course of about five months, with members of our management team serving as a lecturer, MMP works to raise the level of the mid-level managers who will lead the next generation.

Self-Development Support and Recommendations

To actively support employees' self-development, we offer numerous programs including on-line video-based learning, e-learning, correspondence education, and foreign language courses (English, Spanish, and Chinese). In our online video-based learning program for all managerial track employees, we offer courses on knowledge and skills (problem solving capabilities, management skills, basic management knowledge) as well as the Company's business strategies, occupational health and safety, diversity, and labor management. Since FY2023, all employees have been eligible

Diverse Human Resources /Development and Participation of Human Resources

for qualification congratulatory gifts aimed at developing employees who possess high-level expertise and at securing holders of qualifications necessary for business or closely related work, along with appointment and notification allowances designed to motivate employees who take on new external responsibilities due to appointment or notification.

Promotion of Growth, Communication, and Human Resource Network Creation

In addition to human resource development, we implement a variety of measures intended to encourage growth by individual employees, invigorate communication, and create human resource networks.

One-on-one meetings	We introduced one-on-one meetings aimed at raising the quality of communication between superiors and subordinates, tapping the capabilities of every individual, and building organizations that achieve results. When rolling out this program internally, we provide training for both superiors and subordinates to explain the purposes and goals of implementation and clarify psychological safety.
Head Office ACROSS	We hold ACROSS ¹ once a month as an event to advance "communication activation," one of the goals of our renewal of the Head Office. In ACROSS, employees provide overviews of their business, examples of DX initiatives, and other topics to promote understanding of each other's work and targets.

¹ Accelerate Co-creation Roundly Over the Sections in Sumitomo Metal Mining

Career Plan Training

To be a company where all employees can take a vibrant and active part, we believe it is important that employees are able to independently envision their careers and continue working. Toward that end, beginning from employees' second year after joining the Company, we conduct career design training at the ages of 35, 43, 50, and 58. We also create opportunities for employees to clarify their future career goals and action plans. The participation rate in FY2023 was 88.3%.

JCO Study Center Training

We believe that we bear an obligation and responsibility to pass on to Group employees the lessons from the JCO criticality accident that must never be forgotten. For this reason, we established the JCO Study Center in October 2010 as an experience-oriented facility where employees can have direct contact with the facts of the incident. We learn about topics including the accident's direct causes and risk management at the time. To ensure that such an accident never occurs again, we have incorporated JCO Study Center training into internal training and are making efforts to

have all Group employees undergo the training at least once. As of May 1, 2024, 90.9% of our employees and 85.5% of employees of Group companies have experienced the training.

Human Rights Seminar

As stated in our Corporate Philosophy, we aim to be a forward-minded and vibrant company that recognizes the dignity and value of people based on respect for all individuals. Setting December of every year as Human Rights Month, we undertake human rights training throughout our Group. We seek to create diverse workplaces where people recognize differences in attributes, backgrounds, experience, and so on, motivate one another, and grow. Unconscious assumptions, preconceptions, and stereotypes can hinder the promotion and lead to harassment, and accordingly, in FY2023, we conducted training at each workplace on the topic of "awareness of different perspectives (majority and minority positions)."

Time Spent on and Investment in Employee Education  P.105-106

Amount of Investment in Education  P.106

Utilization of Human Resources (work style reform and the creation of workplaces where diverse human resources can play active roles)

Work Style Reform

Approach to Work Style Reform

The purpose of the work style reform that our Group pursues goes beyond shortening working hours to enhance the growth and productivity of every employee, thereby efficiently advancing high-quality work in a limited time frame and creating new value, which we believe will lead to growth of the Group as a whole. We announced the start of work style reform efforts in April 2017, and since then have continuously advanced a variety of initiatives. In addition to strengthening management of appropriate working hours and reducing long working hours, we have created an environment that lets all employees demonstrate their abilities in work. We anticipate that employees will invest the time

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created through work style reform in themselves, using it as an opportunity for personal growth.

Work Style Reform Initiatives

In our Group, particulars of work often differ by division and workplace, with the result that work style reform activities are generally undertaken on a per-workplace basis. Every year at every workplace, we create and carry out an action plan aimed at assessing and improving current conditions related to work styles.

Total annual working hours are steadily decreasing, and we have begun initiatives aimed at improving labor productivity.

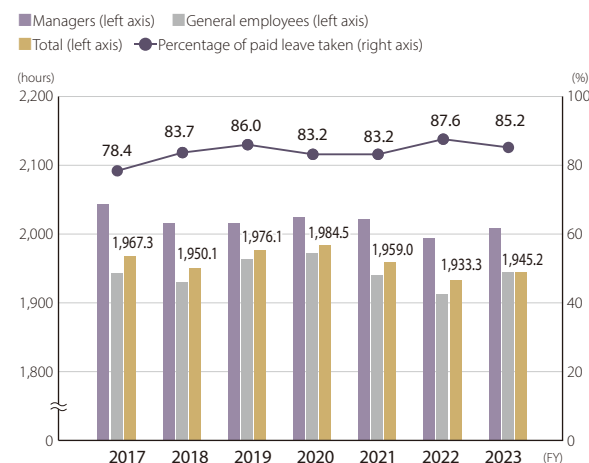
Commitment by top management	Dissemination of internal messages
Assessment of current conditions	Assessment of current conditions, formulation of workplace-specific action plans, etc.
New employment rules	Improvement of employment management systems, pursuit of flexible and efficient work styles, etc.
Advancement of new jobs	Review of ideals for meetings and ways of creating meeting materials Utilization of IT tools (in cooperation with the Information Systems Department), reduction of labor, switch to RPA, shift to paperless work and review of rules for using e-mail Work inventorying, work improvements, ideals for human resource development, etc.
Reform of awareness	Training for supervisors and staff
Proper human resource assignment	Review of approach to staff organization
Development of mechanisms for employment	Staggered working hours, flextime system, work-from-home system, half-day annual leave, hourly annual leave, half-day compensatory leave, etc.

Diverse Work Styles and Labor Productivity, Prevention of Long Work Hours and Overwork

Our Company complies with the laws and regulations of countries and regions regarding long working hours and overwork. As an initiative in Japan to prevent health disorders due to overwork, since 2003, before our working style reform initiatives, we have made the Company aware of employees who have worked overtime for over 45 hours per month and conducted health guidance by occupational health physicians for employees who have worked overtime for over 80 hours per month.

We make efforts to reduce employee average annual working hours to our target of 1,900 hours or lower, and report on progress toward this target every month at executive officers' meetings. The recognition of diverse working styles (work-from-home and flextime systems) matched to the job leads a more active involvement in work from employees and promotes reduced working hours and enhanced productivity. In the Head Office District, we have introduced a flextime system with no core hours, achieving flexible working styles grounded in the independence of employees. To promote the taking of annual paid leave, we also engage in labor-management dialogue at all business sites, and study and carry out related measures based on the situation at each site. Based on the reduction of annual working hours achieved through these initiatives, since April 2021 we have unified the annual scheduled working hours for all working styles to 1,920 hours. In FY2023, annual total working hours were 1,945.2 hours (average for all employees) and the percentage of paid leave taken was 85.2% (annual average for all employees).

■ Average Annual Working Hours¹ and Percentage of Paid Leave Taken²



¹ Average annual working hours = scheduled working hours (excluding leave, paid leave, etc.) + overtime hours

² Reporting boundary: Employees of Sumitomo Metal Mining Co., Ltd. during the year (excluding limited-term employees who are specially hired employees)

Diverse Human Resources /Development and Participation of Human Resources

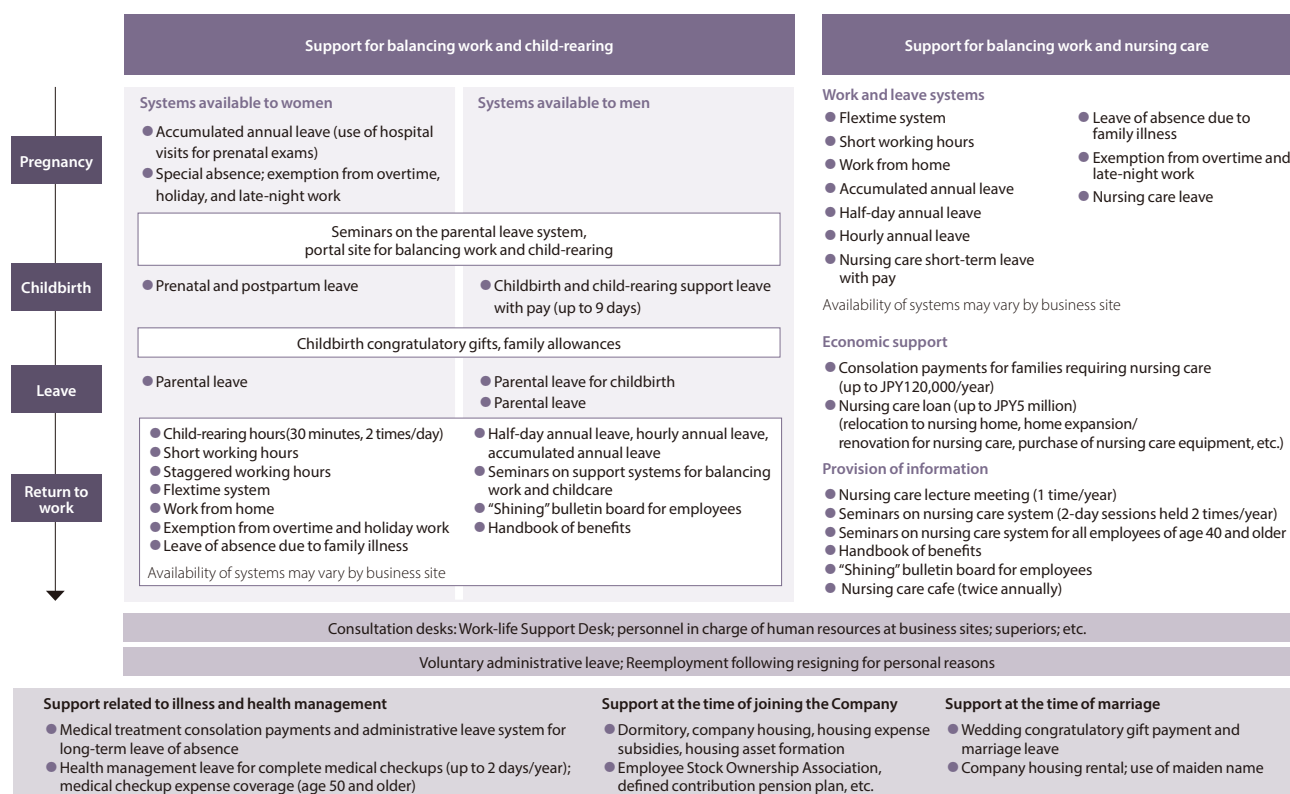
Creation of Workplaces Where Diverse Human Resources Can Play Active Roles (initiatives and development of systems)

GRI 401-2

Support Matched to Employees' Life Stages

Our Company offers support measures and systems matched to changes in life stages, such as joining the Company, marriage, childbirth, childcare, nursing care, and reaching retirement age. We also provide consultation and opportunities for information provision through training.

■ Support Matched to Employees' Life Stages



Development of Support Systems for Balancing Work and Child-Rearing and Nursing Care

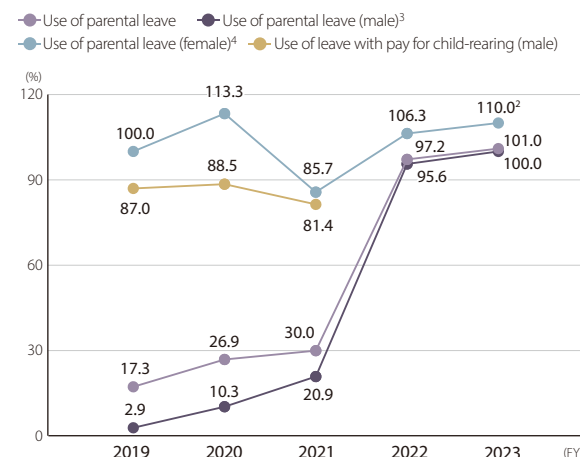
GRI 401-3

By enhancing our support measures beyond statutory requirements to let employees balance work with child-rearing and nursing care without worry, we are making efforts to create comfortable working environments. In 2009, we created the "handbook of benefit," which summarizes internal systems, including those for child-rearing and nursing care, and have revised it in response to changes to programs and notified employees with the aim of ensuring that all employees understand the programs and can effectively use them according to their individual circumstances.

We further hold seminars on support systems for balancing work and child-rearing, aimed at employees and their supervisors before and after return from parental leave; seminars on the parental leave system to aid managers' understanding of systems associated with revision of the Act on Childcare and Caregiver Leave; and individual informational sessions on the parental leave system and interviews to confirm intent to take leave to aid understanding of the leave system by employees preparing for childbirth in the family.

Of 101 employees (91 men and 10 women) who were eligible to take parental leave in FY2023, 102 (91 men and 11 women) did so. The percentage of eligible employees taking parental leave was 101.0% (100.0% for men and 110.0% for women).

Diverse Human Resources /Development and Participation of Human Resources

■ Status of Taking Parental Leave¹

¹ Employees who gave birth in the previous fiscal year are included in those who took childcare leave during the reporting period, and therefore, the percentage of parental leave may exceed 100%

² The percentage of parental leave in FY2022 and later includes the utilization rate of leave for child rearing

³ Number of employees who took parental leave in FY2023 ÷ number of employees who submitted a notification of birth to the Company for birth by their spouse in FY2023 x 100

⁴ Number of employees who took parental leave in FY2023 ÷ number of employees who gave birth in FY2023 x 100

As understanding and cooperation by superiors and others in the workplace are indispensable in balancing work and nursing care, it is important to create an atmosphere that facilitates consultation with colleagues or superiors in the workplace and for each employee to have knowledge concerning the necessary preparedness and the Company's support systems for achieving that balance. To that end, in FY2018 we began holding seminars on balancing work and nursing care, have continuously been reinforcing measures to support this balance, and since FY2020, we have continuously been offering lectures by experts on nursing care and seminars on the Company's nursing care system, in order to reform awareness and to make the Company's nursing care-related systems known to employees.

Questionnaire surveys conducted in 2015 and 2019 on awareness, the reality, and the needs of employees regarding nursing care uncovered issues in the workplace climate relating to acceptance of employees who provide nursing care, but these sources of concern are being eliminated through the creation of various support programs. Also, new initiatives have been launched since FY2023 including the establishment of a "nursing care cafe" as a forum for employees to exchange information and opinions on balancing work and nursing care. In FY2023, one employee took nursing care leave and 67 employees took nursing care short-term leave with pay.

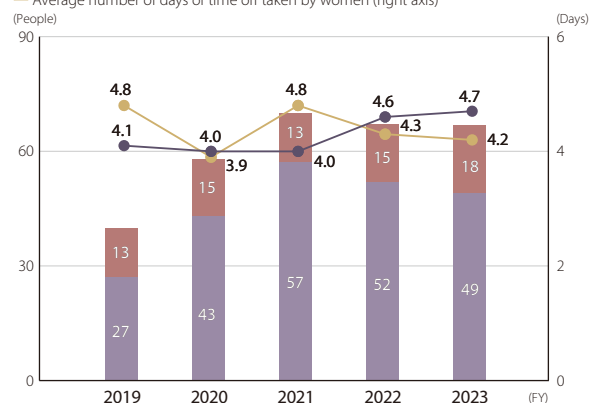
■ Changes in the Number of Employees Taking Nursing Care Leave

		FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Number of employees who took leave	Men	0	0	1	2	2	1
	Women	2	2	1	0	0	0
Average number of days of leave taken		104.5	63.5	129.5	12.0	70.0	155.0

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■ Changes in the Number of Employees Taking Time Off for Nursing Care

■ Number of men who took time off (left axis) ■ Number of women who took time off (left axis)
 — Average number of days of time off taken by men (right axis)
 — Average number of days of time off taken by women (right axis)



Initiatives	Main content
Information sessions on support systems for balancing work and child-rearing (from FY2019)	We conduct these seminars for employees in the Head Office District who have returned to work from parental leave, and for their superiors and other applicants, to build understanding of the aims and details of our in-house parental leave-related systems. From FY2022, we have offered seminars prior to employees' return to work to explain details of preparations for the return and for balancing work and child-rearing
Seminars on the parental leave system (from FY2019)	We conduct these seminars for employees who are expecting the birth of a child, as well as for their superiors and, from FY2022, all managers. The seminars' aim is to extend understanding of systems associated with revisions to the Act on Childcare and Caregiver Leave and to foster a supportive workplace culture (the participation rate of managers as of the end of FY2023 was 88.9%)
Individual informational sessions on the parental leave system and interviews to confirm intent to take leave (from FY2022)	For employees who have provided notification of their own or a spouse's pregnancy, childbirth, etc., we hold these sessions in face-to-face or online format, attended by two or more people from the business site's human resources staff or from the Diversity Promotion Section of the Human Resources Department at the Head Office to explain the system and confirm their intention to take parental leave
Interviews before return to work	Before employees return to work, we conduct exchanges of information between the employees and their superiors to ensure trouble-free preparations for returning to work, balancing work and child-rearing, and readying systems in the workplace
Collection of case studies of men who took parental leave (issued in FY2023)	We distribute these case studies to male employees who are expecting a child to encourage them to take parental leave by informing them about how to spend their time during leave and the benefits of taking leave
Distribution of tablets	We provide tablets to employees on parental leave so that they can still access Company information while on leave.

Work-life Support Desk

In April 2021, we established the Work-life Support Desk to respond to a wide range of requests for consultation from all Group employees and to provide support for resolving issues. These issues span not only harassment and human rights matters but also careers, human relations in the workplace, and balancing work with childcare and nursing care.

Employee Awareness Surveys and Internal System Development

To achieve the goal of creating workplaces where diverse human resources can play active roles, as set out in Vision for 2030, we are undertaking reviews of our employees-related systems. We also conduct an employee awareness survey once each year ascertain the current statuses of employee awareness and motivation, as well as factors of their satisfaction or dissatisfaction, and to utilize the results in measures for achieving improvement.

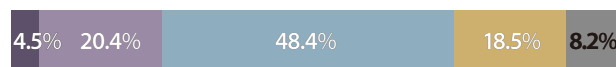
The FY2023 survey results identified the issues that communication between management and employees and human resource systems do not lead to increased motivation on the part of employees. On the other hand, we confirmed that pride in the company, good relationships between superiors and subordinates, and a corporate culture of taking on challenges in the workplace are strengths that we would like to extend even further. In addition, in response to survey items concerning our corporate culture, "taking on challenges," "on-site first," "flexible," and "open and vibrant" were listed as aspects that employees value, while "bureaucratic" was indicated as an aspect of the Company's culture that employees would like to quickly eliminate.

Diverse Human Resources /Development and Participation of Human Resources

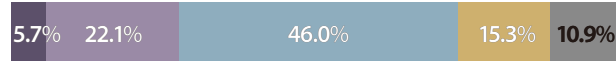
Results of the Employee Awareness Survey (Extract)

■ Completely agree ■ Somewhat agree ■ Neither agree nor disagree
■ Somewhat disagree ■ Completely disagree

Frontline (on-site) information is being communicated to management



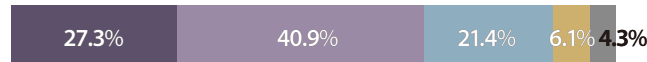
The human resources system is useful in facilitating your growth and improving your motivation



You are proud to work at the company



You trust your supervisor



You are taking on new areas and challenges in the course of your work



Status of Development of Main Internal Systems over the Past Three Years (development of environments that facilitate and encourage work)

FY2020	Improvement of wages	Average for union members: JPY1,500
	Nursing care short-term leave with pay	Relaxation of requirements for usage and units for taking leave
FY2021	Extension of retirement age	Extension of retirement age for general employees (age 65)
	Annual scheduled working hours	Consolidation (reduction) to 1,920 hours
	Flextime system	Introduction of "no core time" (Head Office District)
	Internal reporting hotline	Establishment of a new Work-life Support Desk
	Special hourly leave with pay for child-rearing	Relaxation of requirements for usage and units for taking leave
	Health management leave	Elimination of age restrictions (when undergoing complete medical checkups)
	System for remote assignment away from family	Expansion of certification requirements, increase in allowances
	Miscellaneous expenses for transfers	Establishment of vehicle expense subsidy (up to JPY500,000)
	Housing allowance	Expansion of targets for payment, increase in payment amount to employees who are single
	Overseas worker allowance	Increase in hardship allowance
	Consolation payments	Review of accident consolation payments, establishment of evacuation and damaged vehicle payments

FY2022	Personnel evaluation	Review of handling of mid-career hires and employees returning from parental leave
	Telework system	Restructuring of work styles at the Head Office District
	Improvement of wages	Average for union members: about JPY4,800
	Annual paid leave	Increase in number of days granted, elimination of expiration of leave
FY2023	Accumulated annual leave	Increase in upper limit for accumulation, addition of usage requirements
	Family allowance	Review of allowance amounts and of bonus calculation base amounts
FY2024	Work-from-home allowance	Payment according to number of days worked from home
	Cost-of-living allowances	Payment of a monthly JPY10,000 cost-of-living allowance
FY2024	Improvement of wages	Average for union members: about JPY20,000
	Subsidization of expenses for comprehensive medical examinations	Expansion of the ages eligible for a comprehensive medical exam at the Company's expense

Diverse Work Styles for Older Employees

GRI 404-2

Through FY2020, we offered continued employment for employees reaching the age of 60 in the form of re-employment. From FY2021, we have changed the retirement age for general employees to 65, so that employees can remain in active roles for a longer time. In FY2023, we revised our managerial track personnel system so that senior employees can continue working past the retirement age of 65, up to age 70. By offering a variety of options, we are achieving diverse working styles. We have also developed career and life plan training targeting employees aged 50 or older at age 50 and 58, as well as a support system for change of career (with transfer support subsidies, re-employment support, etc.) to back up employees' post-retirement lives.

Diverse Human Resources /Development and Participation of Human Resources

Diversity, Equity and Inclusion

Approach

GRI 3-3/405-1

Our Corporate Philosophy calls for recognizing the dignity and value of people based on respect for all individuals. The SMM Group Code of Conduct, which summarizes specific standards of conduct for officers and employees in achieving that respect for individuals, stipulates that we “accept diversity and respect the individuality and rights of people.” The Sumitomo Metal Mining Group Policy on Human Rights declares that we will not allow discrimination, harassment, or bullying on the basis of race, religion, gender, age, sexual orientation, disabilities, nationality, or other characteristics in employment and work scenarios. Viewing diverse human resources and the development and participation of human resources as material issues, we aim to be “a company where all employees can take a vibrant and active part” as our Vision for 2030.

Each employee has different perspectives and ways of thinking, and it is necessary to create work environments where employees respect and collaborate with each other with equal opportunities while accepting and acknowledging the differences of the diverse members and making the most of their characteristics (Diversity, Equity and Inclusion: DE&I). In addition to diversifying visible characteristics such as gender, nationality, and age, promoting diversification of skills and experience will lead to the generation of innovative ideas and enhance the flexibility and competitiveness of organizations. We believe that this will lead to the creation of new value that will be a driving force for generating innovation in the Company.

In order for diverse members to work together with motivation, in addition to the development of working environments and systems, since FY2017 we have worked to create an open and vibrant organizational climate while fairly providing opportunities. We believe that under an open and vibrant organizational climate, every individual will respect the backgrounds of others regardless of differences and will engage in competitive hard work together with open discussion and generation of ideas.

Open and Vibrant Organizational Climate

To activate the goodness of the organizational climate that was rooted in our Company, we have again put this into words and communicated it to employees.

- Employees are able to convey their thoughts and insights without concern over differences among individuals, such as superior/subordinate relationships, senior/junior employee relationships, or gender
- Employees welcome new ideas and challenges
- Employees make what is right, not who is involved, their criteria for judgments

Assumption: Organizational policies, targets, regulations, and rules are shared.

Initiatives toward Gender Balance
(women’s active engagement)

GRI 202-1/404-2/405-1/405-2

To realize our Vision for 2030 to create workplaces where diverse human resources can play vibrant and active roles, we have set “number and percentage of female SMM managers” and “number and percentage of female SMM employees” as KPIs. In FY2023, the percentage of female SMM managers was 3.2% (26 employees) and the percentage of female SMM employees was 13.0% (469 employees), both figures having increased from the previous year. We have formulated an action plan based on the Act on the Promotion of Women’s Active Engagement in Professional Life¹ and are working to achieve our goals. Furthermore, through various measures such as proactive recruitment, appointment to a wide range of positions, and training of female leaders, we are making efforts toward furthering the active engagement of women.

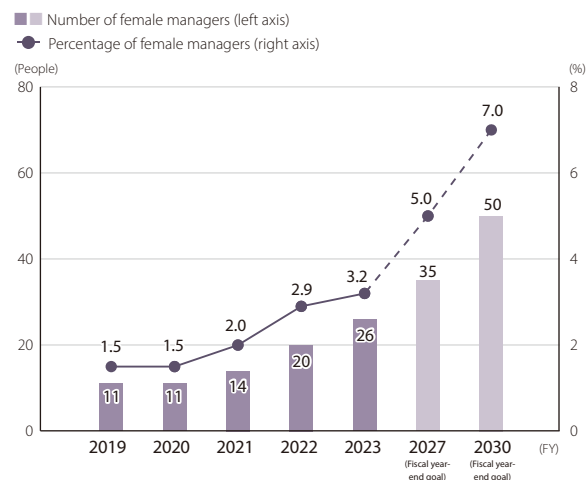
¹ Enacted in 2016 with the aim of realizing a society in which women can fully demonstrate their individuality and abilities, this law stipulates the responsibilities of the national government, local governments, and general business owners with regard to the promotion of women’s active engagement

Diverse Human Resources /Development and Participation of Human Resources

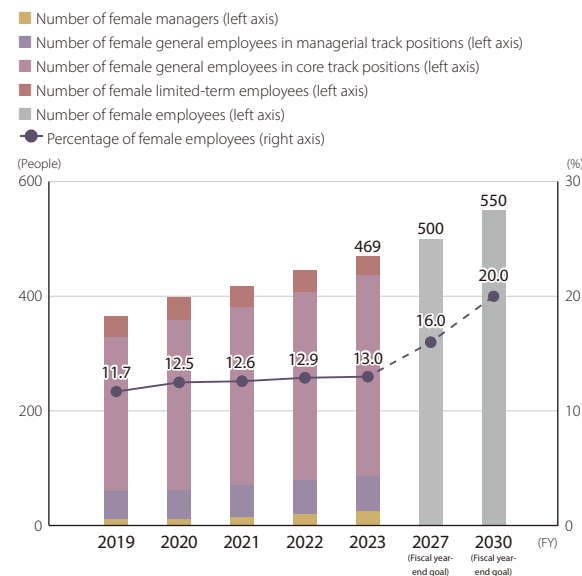
■ Our Company's Action Plan Based on the Act on the Promotion of Women's Active Engagement in Professional Life(period of plan: April 1, 2024 to March 31, 2028)

Initiatives	
Percentage of female managers	5% or more
Percentage of paid leave taken	80% or more
Percentage of female employees who took parental leave	100%
Percentage of male employees who took parental leave ¹	100%

¹ Parental leave by male employees includes time off for childcare

■ Number and Percentage of Female Managers¹

¹ Reporting boundary: Sumitomo Metal Mining Co., Ltd. (including seconded employees)

■ Number and Percentage of Female Employees¹

¹ Reporting boundary: Sumitomo Metal Mining Co., Ltd. (including seconded employees)

Fair Systems of Evaluation and Treatment

Based on the Sumitomo Metal Mining Group Policy on Human Rights, we comply with laws and regulations concerning compensation, including the minimum wages established by countries and regions. In Japan, we have entered into an agreement with the Federation of Sumitomo Metal Mining Workers Unions on internal minimum wages that exceed region- and industry-specific minimum wages set under the Minimum Wage Act, as we work to improve the treatment of employees.

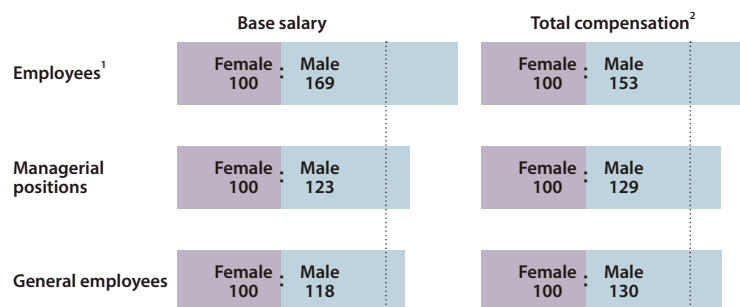
Standard Entry-Level Salary to Regional Minimum Wage ▶ P.109

Diverse Human Resources /Development and Participation of Human Resources

We have also introduced an evaluation and compensation system free of distinctions or difference based on gender and age, with compensation determined by individuals' roles and achievements. The ratios of female-to-male compensation for non-limited-term employees in FY2023 were 100 : 169 for base salary and 100 : 153 for total compensation. We believe that this difference between male and female stems from the facts that the number of years of service is longer for male employees and the percentage of females in managerial positions is lower. To eliminate the difference, we will improve our retention rate for female employees and raise the percentage of female managers to an appropriate level.

Gender Balance (women's active engagement) ▶ P.108

■ Ratios of Female-to-Male Base Salary and Total Compensation (FY2023)



¹ Reporting boundary: Non-limited-term employees of Sumitomo Metal Mining Co., Ltd. (including short-time workers)

² Total compensation includes base salary, overtime pay, allowances for housing, family, commuting, etc., and excludes payments to employees who resigned

Training for the Development of Female Leaders

As the number of female managerial track employees in our Company is relatively small, in addition to training in line with our Company-wide human resource development program, we identify female employees who are expected to play future roles as leaders and send them to training in interactions of eight companies in different industries. Our aim is for the employees to encounter different corporate cultures, expand their horizons, and acquire the practical skills required of leaders by tackling issues together with female employees of the same generation from other companies.

Roundtable Discussions by Officers and Female Managers

To create workplaces where female employees can work comfortably and play active roles, we have been holding roundtable discussions with officers and female managers since FY2023. Going forward, we plan to reflect the opinions and ideas raised in these discussions in measures.

Promotion of Employment for People with Disabilities

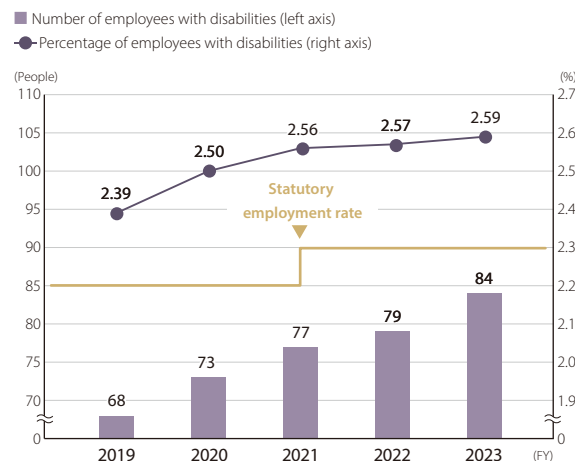
GRI 405-1

In addition to career recruitment, every year since FY2019 we have been accepting students from special support schools near our workplaces to take part in workplace experiences. By deepening understanding of our workplaces and work through the experience, we are increasing the number of students who feel confident in joining our Company. To support retention, we arrange periodic meetings with human resource staff one, three, and six months after joining the company and then once a year to examine ways of eliminating job-related anxieties and problems and to strengthen linkage with our employment support. Every year since FY2020, we have been offering internships for university students with disabilities and actively recruit these students at workplaces that can make use of their expertise and characteristics.

From the standpoint of undertaking reasonable considerations, we install PATLITE lighting systems on all floors to enhance visual communication for deaf employees, make use of speech recognition software, hold in-house sign language classes and workshops allowing non-disabled employees to experience simulated disabilities, eliminate level differences inside facilities, and make improvements to restrooms. By acting under the idea of normalization to create environments in which people with and without disabilities can work together, we are steadily increasing our percentage of employees with disabilities. As of June 2023, our percentage of employees with disabilities was 2.59%, which exceeds the statutory rate in FY2023 of 2.3%.

Diverse Human Resources /Development and Participation of Human Resources

Number¹ and Percentage of Employees with Disabilities over the Past Five Years



Data is as of June 1 for each fiscal year, covering employees of Sumitomo Metal Mining Co., Ltd.

¹ The number of employees with disabilities is calculated according to methods prescribed in the relevant laws

Increase in Foreign Employees

GRI 405-1

We believe that hiring foreign employees and promoting them as core personnel enhances the competitiveness of the organization and leads to improved adaptability to the global business environment, and therefore, we are taking measures to increase foreign employees. Foreign employees in managerial track positions numbered 13 at the end of FY2023. These employees are divided between technical occupations (research and development, engineering, manufacturing divisions, etc.) and clerical occupations (business divisions, corporate divisions, etc.), and are active in a range of workplaces and job categories.

In FY2023, we conducted a questionnaire to assess issues faced by foreign employees, along with interviews with those who wanted them. In FY2024, we will study measures to address the issues identified in FY2023 and will undertake initiatives to expand the number of foreign employees in managerial track positions.

Measures to Raise Understanding of Sexual Minorities (LGBTQ+)

GRI 405-1

Our Sumitomo Metal Mining Group Policy on Human Rights prohibits harassment and discriminatory treatment on the basis of sexual orientation. From FY2018 to FY2020, we held workshops aimed at deepening understanding of issues concerning sexual minorities. In FY2020, we began training for executive officers and managers aimed at promoting understanding of changes in the external environment and issues concerning sexual minorities, and have since been gradually expanding the target groups for the training. The Company's Human Resources Department Diversity Promotion Section was certified by the Tokyo Metropolitan Government for issuing an LGBTQ Friendly Declaration as of March 8, 2024.

Maintaining and Improving Employees' Health

GRI 3-3/403-6

From an early stage, our Group has made securing the safety and health of officers and employees a priority from the standpoint of occupational health and safety. To ensure that all employees in our Group can work with greater health and motivation, we established the Sumitomo Metal Mining Group Health and Productivity Management Policy in August 2022, and in October of that year, we formulated the Employee Health Promotion Roadmap, which specifies medium- to long-term initiatives and targets, and a one-year Health and Productivity Management Plan. Based on his plans, we are undertaking and rolling out effective maintenance and promotion measures for mental and physical health in cooperation with the Sumitomo Metal Mining Health Insurance Association.

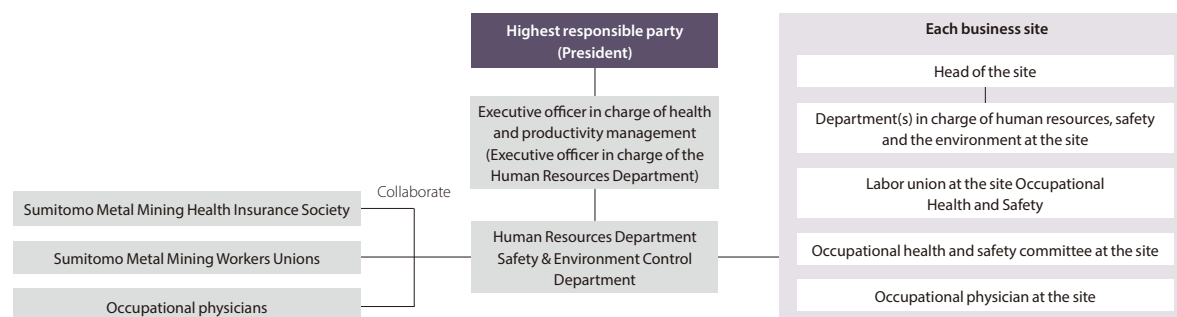
Sumitomo Metal Mining Group Health and Productivity Management Policy

The Sumitomo Metal Mining Group recognizes that the ability of officers and employees to exert their capabilities to the fullest in good physical and mental health is an important foundation of our management. Accordingly, we promote efforts for the maintenance and improvement of health for every individual.

Diverse Human Resources /Development and Participation of Human Resources

■ Sumitomo Metal Mining Group Health and Productivity Management Framework

GRI 403-6



Health and Productivity Management Plan

GRI 403-6

■ Employee Health Promotion Roadmap

Initiative stage	KPIs for health issues	FY2021 results	2021 3-Year Business Plan			FY2027 targets (Final year of 2024 3-Year Business Plan)	FY2030 targets (Final year of 2027 3-Year Business Plan)	
			FY2022 results	FY2023 results	FY2024 targets			
First Stage Improvement phase for employees facing high health risks (Target: High-risk employees)	I. Risk of onset of lifestyle-related diseases Reduction of percentage of men at medium or greater risk (requiring checkup, physician consultation)	Percentage at medium or greater risk	29.0%	29.6%	28.8%	25.0%	20.0%	18.0%
	II. Risk from smoking Halving of smoking rate for employees of age 40 and older	Smoking rate	25.0%	23.9%	24.1%	20.0%	16.0%	12.5%
	III. Risk from drinking ¹ Reduction of drinking for employees of age 40 and older	Percentage of employees who have two or more drinks per day	18.1%	17.2%	-	Set separate numerical target	Set separate numerical target	Set separate numerical target
Second Stage Health risk reduction and health promotion phase (Target: All employees)	IV. Re-commitment to mental health measures (1) Reduction of number of workers taking long-term absence of one month or longer (2) Reduction of total number of days of absence for workers taking long-term absence	(1) Number of employees (2) Number of days	(1) 12 (2) 1,688	(1) 26 (2) 2,652	(1) 27 (2) 3,004.5	(1) Reduction of number of workers taking long-term absence of 1 month or longer (2) Reduction of total number of days of absence for workers taking long-term absence		
	V. Risk of obesity Reduction of obesity rate (BMI over 25) for employees of age 40 and older	(1) Obesity rate (male) (2) Obesity rate (female)	(1) 39.0% (2) 23.0%	(1) 38.0% (2) 23.4%	(1) 37.7% (2) 22.1%	(1) 37.0% (2) 22.0%	(1) 28.0% (2) 19.0%	(1) 26.0% (2) 18.0%

¹ We plan to set a KPI on alcohol consumption risk starting in FY2024

FY2021 and FY2022 results are data on the amount of alcohol consumed on days when alcohol is consumed

Diverse Human Resources /Development and Participation of Human Resources

Addressing Mental Health Care

GRI 403-6

In 2007, we issued our "In-House Guidelines on the Prevention of Health Disorders Due to Overwork and on Mental Health Care." We take action to prevent overwork from an early stage onward, and promote four types of mental health care: self-care, care by line management, care by staff, and care by external organizations. To support early return to the workplace, we are also developing systems for leave from work and trial return to work.

Addressing Mental Health Care ▶ P.109

■ Percentage of Employees Taking Leave due to Mental Health Disorders

FY	2019	2020	2021	2022	2023
Percentage of employees taking leave ¹	0.45%	0.40%	0.37%	0.43%	0.41%

¹ Percentage of employees taking leave: Total number of days of leave taken ÷ number of scheduled working days x number of employees at end of fiscal year x 100

Reporting boundary: Employees of Sumitomo Metal Mining Co., Ltd.

Utilization of Stress Checks

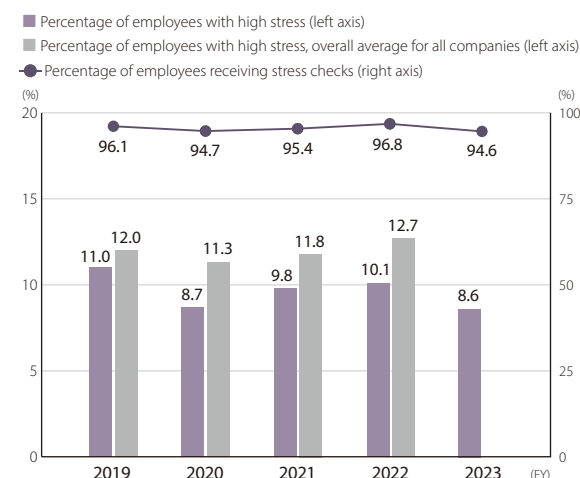
To make effective use of statutory stress check systems, we conduct stress checks for all employees every year in accordance with our "Regulations for Promotion of the Stress Check System." We also carry out workplace analyses and workplace environment improvements for which efforts are mandated, and report the results to management.

We developed a stress check system beginning in 2008, before systems were made mandatory in 2015. As the importance of the checks are well known, the rate of employees undergoing checks has remained very high.

Based on results of the checks, we study and implement initiatives to improve the motivation of employees (i.e., increase the health and well-being of employees). Stress checks are a tool for evaluating employees' psychological load and stress factors. The data is kept anonymous and confidential by outsourced companies. To an extent that does not specify individuals, we assess and analyze trends and issues in departments, workplaces, and employee attributes, and feed the results back to organizations so that effective initiatives can be carried out at each business site.

Employees identified in the checks as having high stress receive follow-up e-mail communication from physicians regarding early response, checkups by specialists, and early recovery (shortening of the leave period). Upon request from individuals concerned, the Company also provides individual engagement and support.

■ Percentage of Employees Receiving Stress Checks and Percentage of Employees with High Stress¹



¹ Reporting boundary: Employees of Sumitomo Metal Mining Co., Ltd.

Diverse Human Resources /Development and Participation of Human Resources

■ Initiatives for Mental Health Care

• Occupational Health and Safety Committees (formulation, implementation, evaluation, and deliberation concerning plans) • Labor-management committees (surveys and study)				
Mental health promotion plans				
	Self-care	Care by line management	Care by in-house staff (occupational physicians)	Care by external organizations (EAP)
Prevention, indications	<ul style="list-style-type: none"> Statutory stress checks Self-care training EAP consultation desk In-house consultation desk Work-life Support Desk Approach toward employees with high stress indicated by stress checks 	<ul style="list-style-type: none"> Training for care by line management Assessment and improvement of workplace environment Awareness of and response to unwell employees 	<ul style="list-style-type: none"> Health awareness-raising activities Health consultations with occupational health physicians Consultation and guidance by occupational physicians for employees working long hours 	<ul style="list-style-type: none"> Follow-up based on results of stress checkups Counseling (online, face-to-face, or telephone counseling for employees and their families) Consultation and counseling by EAP staff (physicians, clinical psychologists, etc.)
Onset	<ul style="list-style-type: none"> Leave system 	<ul style="list-style-type: none"> Assessment and improvement of workplace environment 	<ul style="list-style-type: none"> Regular consultations with occupational physicians 	
Recurrence		<ul style="list-style-type: none"> Support for return to work 	<ul style="list-style-type: none"> Support for return to work 	
Return to work		<ul style="list-style-type: none"> Trial return to work system 	<ul style="list-style-type: none"> Consultation with occupational physicians when returning to work 	
Care by staff, line management, and cross-sectional organizations				
<ul style="list-style-type: none"> Promotion of participation in training and education Reduction of long working hours and notification of consultations with occupational physicians Management of leave period 		<ul style="list-style-type: none"> Training for personnel in charge of human resource Support for return to work Training and assignment of occupational counselors 		

Personal information is handled with due care in all of the initiatives

Illness Prevention and Health Promotion Initiatives

GRI 403-6

In cooperation with the Sumitomo Metal Mining Health Insurance Society, we are making initiatives for illness prevention and health promotion for our employees and their family members (dependents). To prevent lifestyle-related diseases, we promote the implementation of specific health checkups and specified health guidance, and encourage those at particularly high risk of serious illnesses to undergo checkups. We also subsidize all or part of the costs of various medical examinations, comprehensive health checkup system (Ningen Dock), and complete brain checkups. When undergoing complete medical checkups, employees can take health management leave (up to two days per year).

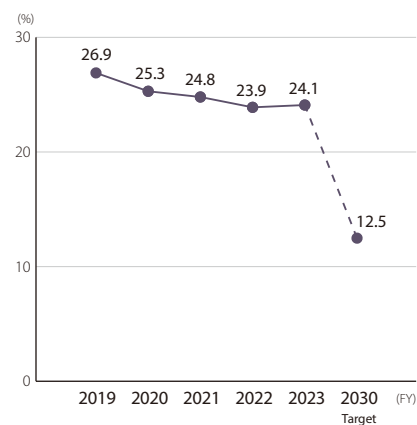
Furthermore, to promote smoking cessation, we have reduced the number of smoking areas and offer an online smoking cessation program for those who wish to quit. About 70% of participants in the smoking cessation program have successfully quit smoking.

Illness Prevention and Health Promotion Initiatives  P.109

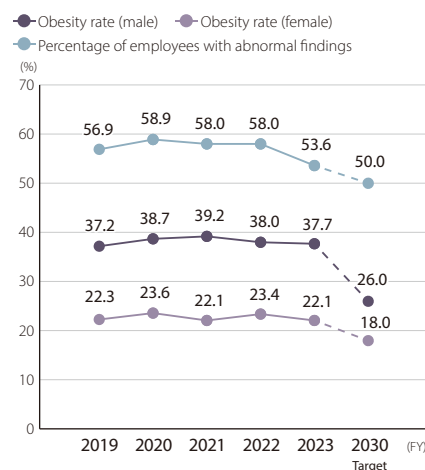
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Main Projects for Illness Prevention and Health Promotion

- Specified health checkups and specific health guidance for the prevention and remediation of metabolic syndrome
- Comprehensive health checkup system (Ningen Dock), brain checkups, colon cancer screening, abdominal ultrasound screening, gastric X-ray screening, dental checkups, HPV self-checks
- Encouraging employees at high risk of worsening of lifestyle-related diseases to undergo check-ups and providing health guidance to employees at high risk of diabetic nephropathy
- Online smoking cessation program
- Intermediary sales of household medicines
- Determination of disease risk through genomic analysis

Smoking Rate and Target¹

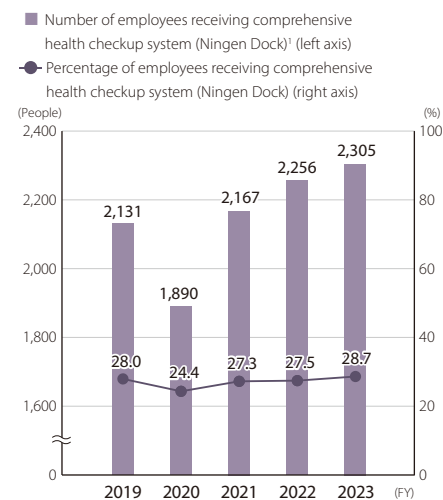
¹ Reporting boundary: Employees of Sumitomo Metal Mining Co., Ltd., age 40 or older (results of specific health checkup interview)

Percentage of Employees with Abnormal Findings¹, Obesity Rate², and Targets

¹ Reporting boundary: Insured persons of the Sumitomo Metal Mining Health Insurance Society

² Reporting boundary: Employees of Sumitomo Metal Mining Co., Ltd., age 40 or older

Percentage and Number of Employees Receiving Health Checkups



¹ Reporting boundary: Insured persons of the Sumitomo Metal Mining Health Insurance Society who are 18 years old or older

Diverse Human Resources /Development and Participation of Human Resources

Long-Term Incentives and Rewards System for Employees

GRI 401-2

Retirement Allowance

Under the Company's retirement benefits system, our defined benefit pension plan, defined contribution pension plan, and retirement lump sum plan are wholly or partially applied at all Group companies. Through these, we are responding to the diversification of lifestyles later in life and changes in forms of employment, while providing peace of mind and stability in post-retirement life. In line with the revision of our managerial track personnel system in FY2023, we have introduced a point-based retirement allowance plan for managerial track employees, based on duties and years of service. We also abolished the resignation payment rate that applied to resignation for personal reasons, in order to appropriately return employees' degree of contribution to the Company to those employees. The result is a system that addresses the mobility of human resources while assuring the ability for employees to play active roles in the Company for a long time.

Commendations for Long Service

We use certificates of merit and supplementary awards to commend employees who have worked diligently for many years and are recognized as models for others to follow.

Years of service	Supplementary award
10 years	2-day leave and JPY50,000 in travel vouchers
20 years	3-day leave and JPY100,000 in travel vouchers
30 years	5-day leave and JPY400,000 in travel vouchers
40 years	3-day leave and JPY50,000 in travel vouchers or 5-day leave

President's (General Manager of Division's) Commendation for Achievement and President's Letter of Appreciation

To commend efforts and achievements in line with the scale and results of outstanding contributions to the Company through everyday work, once per year the Company presents certificates of merit and supplementary awards or letters of appreciation from the president or from general managers of divisions to individuals, groups, or workplaces.

■ Commendations in FY2023

- President's Commendation.....None
- President's Letter of Appreciation.....Taganito HPAL Nickel Corporation (THPAL): 31 people;
Shinko Co., Ltd.: 293 people

Commendation for Achievements in Security, Occupational Health and Safety, and Environmental Preservation

Once per year, the Company presents certificates of merit to individuals or workplaces that have demonstrated significant achievements in security, occupational health and safety, and environmental preservation and that are recognized as models for others.

■ Commendations in FY2023

- Excellent Employees.....Toyo Smelter & Refinery (one person), Harima Refinery (18 people)
- Long-term Zero Accidents.....Numazu Business Site and Kounomai Business Site of N.E. Chemcat Corporation, Shinko Co., Ltd.

Employee Stock Ownership Association

The Employee Stock Ownership Association was launched in 1982 to assist employees with long-term asset formation. With the Company and Group company employees (including non-regular employees) as members, the association contributes funds from salaries and bonuses for the purpose of purchasing shares of the Company. The incentive from the Company is 12% of the contribution, with dividends reinvested as members' stock purchase funds. As of March 1, 2024, the membership rate (SMM non-consolidated) is 37.8%.

Diverse Human Resources /Development and Participation of Human Resources

Invention Rewards

The Company has established “Regulations for the Management of Patents, etc.” conforming to the Patent Act, and pays bonuses at the time of patent application and for results for inventions made by employees in their work. No upper limit is set on the results-based amount of bonus paid for inventions that contribute to business, which enhances employees’ motivation to create valuable inventions.

Labor-Management Relations (freedom of association and collective bargaining)

GRI 2-30/402-1/407-1/G4-MM4

Basic Approach

In the Sumitomo Metal Mining Group Policy on Human Rights and the SMM Group Code of Conduct, we stipulate respect for the basic rights of employees as indicated in the International Bill of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

Dialogue between Labor and Management (Japan)

The Company and Group companies in Japan have built solid labor-management relations over the years and engage in trouble-free discussions. The collective agreements concluded between the Company and the Federation of Sumitomo Metal Mining Workers Unions guarantee that labor unions have basic labor rights, including freedom of association and workers’ right to collective bargaining. At unionized sites of our branch offices and domestic Group companies, most unions are active under the Federation of Sumitomo Metal Mining Workers Unions. In Japan, based on union shop agreements, all general employees except managers are eligible to join. As of March 31, 2024, labor union membership was 61.1% in Japan and 60.0% for the entire Group in Japan and overseas.

Labor-Management Relations (freedom of association and collective bargaining) P.110

In order for the Company and labor unions to respect each other’s position and build positive labor-management relations based on trust, the Company holds labor-management council meetings, labor-management discussions, and other meetings with labor unions and employee representative organizations at all business sites at least once a month, and set regular opportunities to explain management conditions and take in opinions and requests from employees. In response to requests regarding improvements to occupational health and safety and working environments, we enact necessary improvement measures after confirming situations. We also hold a Central Labor-Management meeting at least once a year as meetings between the Company’s management team and the executives of labor unions under the Federation of Sumitomo Metal Mining Workers Unions.

From February to March every year, the Company and the Federation of Sumitomo Metal Mining Workers Unions negotiate working conditions including wages and lump-sum payments for the following fiscal year. In March 2022, labor and management jointly confirmed that “all employees will work as one toward achievement of the shared annual targets of labor and management, and, with labor unions also powerfully backing established goals and measures to achieve them, will foster among outside contractors a new culture of sharing in the joy of that achievement under the 2021 3-Year Business Plan.” Setting the three years from FY2022 as the target period and setting all Group business sites in Japan (directly controlled business sites, domestic subsidiaries, and domestic Group companies with labor unions under the Federation of Sumitomo Metal Mining Workers Unions) plus domestic contractors as the scope of initiatives, we are undertaking initiatives to reduce repetitive accidents.

We have also established individual Labor-Management Advisory Committees for specific themes such as human resource systems, wages, shorter working hours, benefits, and occupational diseases. In Labor-Management Advisory Committees, labor and management together investigate, examine, and solve issues under themes on which both sides have reached consensus. The results of the committees’ examinations are reported to representatives of labor and management.

Agreements, arrangements, confirmations, and so on reached through consultations or discussions between labor and management are made public and made known to employees through an internal portal site after conclusion.

Diverse Human Resources /Development and Participation of Human Resources

■ Content of Discussions with the Federation of Sumitomo Metal Mining Workers Unions (initiatives in FY2021-FY2023)

- Revision of the managerial track personnel system, review of wage levels, review of the family allowance system, payment of cost-of-living allowances
- System for remote assignment away from family (relaxation of requirements, increase in allowance), housing-related systems (relaxation of requirements, increase in allowance, decision on new dormitory maintenance fees)
- Measures to reduce relocation burdens (vehicle expense subsidies)

Dialogue between Labor and Management (overseas)

GRI 407-1/408-1/409-1

Among our overseas consolidated subsidiary companies are three that have labor unions. As of March 31, 2024, the labor union membership at these subsidiaries was 56.5%. Overseas, we assess the state of unionization through questionnaires, and track on-the-ground labor-management conditions and engage in exchanges of ideas through seconded employees assigned by the Company to overseas posts. On issues of importance to labor and management, we conduct discussions by both sides and reflect the opinions of both in reviews of measures and the formulation of new systems, in accordance with the laws and regulations of relevant countries and regions. As a result of such efforts, in FY2023 there were no reports of cases of child labor or forced labor, serious infringements on freedom of association, or plant closures due to causes such as strikes in our Group, either domestically or overseas.

Notification of Reassignment, Secondment, and Transfer in Work

The collective agreement we have concluded with the Federation of Sumitomo Metal Mining Workers Unions stipulates that when employees are reassigned, seconded, or transferred in large numbers for reasons of business, the Company will discuss basic matters with the labor union. The agreement also stipulates that when employees are reassigned, seconded, or transferred, the Company will promptly notify the individuals concerned and the labor union regarding the destination.

Labor-Management Agreements to Improve the Level of Occupational Health and Safety

GRI 403-4

Collective agreements concluded between the Company and the Federation of Sumitomo Metal Mining Workers Unions stipulate the assurance of occupational health and safety, the establishment of Occupational Health and Safety Committees, education, training, health checkups, and other matters. Through cooperation between management and labor, we are working to improve the level of occupational health and safety. Occupational Health and Safety Committees formulate annual plans for occupational health and safety activities, check progress under the plans, examine measures to prevent occupational accidents and their recurrence, and share information on the use of health checkups, with the goal of creating an environment for working with safety and good health.

Occupational Health and Safety Committees  P.82

Employees' Occupational Health and Safety

Approach and Policy

GRI 3-3

Because the Group's business activities involve working at heights and handling large equipment, heavy machinery, and chemical substances, employees are exposed to the risks of occupational accidents, including fatalities, and health hazards.

On the other hand, an environment in which employees can work in safety and with security is one of the most important management elements that leads to greater employee motivation and stronger relationships of trust between employees and the Company. Therefore, the SMM Group aims to create comfortable and safe workplaces, including at our contractors, and is further advancing its equipment intrinsic safety measures and has begun introducing advanced technologies including the IoT¹ and AI (Artificial Intelligence).

¹ Internet of things: Connecting many different types of things via the Internet to provide various services.

Management Framework

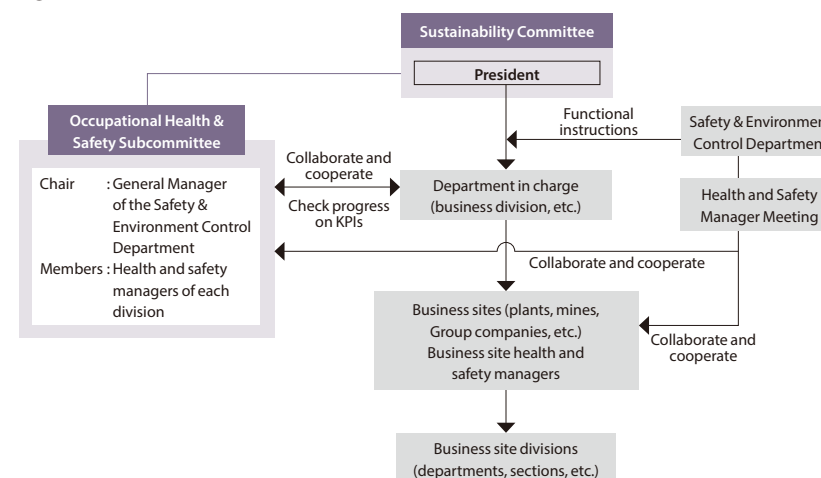
GRI 3-3/403-1/403-2

Occupational health and safety is managed by the chain of command in which the president is the person ultimately responsible, general managers of the relevant divisions provide guidance and supervision, and the person in charge of each business site is appointed as the health and safety manager of that site. Constructive discussions on ways to improve health and safety in the workplace also take place during meetings of the Occupational Health and Safety Committee comprising representatives from both labor and management. Furthermore, the General Manager of the Safety & Environment Control Department provides guidance and advice on safety and health initiatives to each division and each workplace of the Group, while the health and safety manager assigned to each division and business site coordinate efficiently to promote improvements in safety and health. The SMM Group strives to improve health and safety under the concepts of the OSHMS,¹ and has business sites that have already obtained ISO 45001 certification or are certified according to the Japan Industrial Safety and Health Association (JISHA) OSHMS standards. We conduct risk assessments when introducing new equipment or making changes to operational procedures and make improvements to reduce risk. At overseas business sites, we have also built

an occupational health and safety management framework based on local laws and regulations, and conduct the same level of risk assessment, improvement of equipment, and hazard prediction activities as in Japan.

¹ OSHMS is an abbreviation of Occupational Safety and Health Management System and it is a management system that aims to improve occupational health and safety levels at business sites through the implementation of a set of processes known as the PDCA cycle (Plan, Do, Check, Act), based on cooperation between businesses and their workers

Management Framework Chart



Occupational Health & Safety Subcommittee and Safety & Environment Control Department

With regard to employees' occupational health and safety, which is a material issue, the Safety & Environment Control Department promotes activities to achieve our vision in cooperation and collaboration with the members of the Occupational Health & Safety Subcommittee, who are in charge of health and safety in their respective division. In addition, the Safety & Environment Control Department provides functional instructions to the business division supervisors based on various reports and inspections, provides advice and reports to the competent authorities on the consolidation and response to important matters such as accidents and disasters, and disseminates

Employees' Occupational Health and Safety

disaster case studies within the Group to raise awareness and provide instructions for inspections.

The SMM Group Health and Safety Manager Meeting

As a rule, once a year, the Safety & Environment Control Department holds a meeting for business division health and safety managers and business site safety and health managers. At these meetings, health and safety managers of departments and divisions work to improve the level of health and safety management by providing information on the progress of health and safety targets, information on legal revisions, and explanations and discussions on performance and material issues related to health and safety.

Occupational Health and Safety Committees

GRI 403-4/403-7

In accordance with the Industrial Safety and Health Act, the Occupational Health and Safety Committee meets once a month at each of the Group's business sites in Japan. At the Occupational Health and Safety Committee meetings, a wide range of health and safety issues are discussed, including the progress of health and safety activity plans, analysis of the causes of occupational accidents and measures to prevent recurrence, results of working environment measurements, results of medical examinations, reports on improvements to equipment and work methods, reports on the correction of areas identified during patrols, safety and management methods for new chemical substances handled, results of pre-operational safety examinations of new equipment, and information on legal revisions. A summary of the Occupational Health and Safety Committee meetings is reported monthly by business sites to the Safety & Environment Control Department, which confirms that safety and health activities are being properly implemented at each business site.

At SMM Group's overseas business sites, occupational health and safety committee meetings are held in accordance with the laws and regulations of each country to ensure workplace safety through the creation of accident prevention measures among businesses and their workers.

Regarding regular contractors, Occupational Health and Safety Committee meetings and informal gatherings are held every month by contracting organizations in which contractors and others participate and information is shared. This information is taken back to the company where it is shared and used to make notifications.

Occupational Health and Safety Policies, Targets and Plans

GRI 3-3

Occupational Safety Policy

1. Elimination of serious accidents
2. Prevention of accidents caused by ignoring risks and human error
3. Achieve work with safe procedures and equipment through priority-oriented safety activities based on the Three Reality Principle and line safety management.

Occupational Safety Goals and Results

	2023 Results		2024 Targets	
	Serious accidents	All accidents	Serious accidents	All accidents
1. Occupational accidents				
1) Japan Group employees	2	15	0	7 or less
2) Japan contractor employees		18	0	2 or less
3) Overseas business site employees		1	0	1 or less
2. Traffic accidents				
Traffic accidents caused by employees resulting in injury or death	3		6 or less	

Results on 2023 Initiatives

In addition to continuing to improve the intrinsic safety of its equipment, the Group is focusing on the prevention of serious accidents by promoting comprehensive inspections and countermeasures of automated equipment, following up on the comprehensive inspections through safety patrols, reviewing risks, and providing guidance on countermeasures in response to a serious accident in 2022 involving an employee caught in equipment. To prevent repetitive accidents, we take measures with a focus on management aspects and dig deeper into the background factors of

Employees' Occupational Health and Safety

each incident. Also, to enhance line management, including improving the skills of management and supervisory staff, we conduct safety manager training for on-site managers at the time of selection and we also promote improvement by conducting safety culture diagnoses at core and other business sites.

There was a decrease in safety-related incidents from 2022 to 2023, but we exceeded our targets (less than seven accidents for the entire domestic Group and no serious accident), and a total of 15 accidents occurred including one serious accident. In 2023, we conducted comprehensive inspections of automated equipment and issued warnings, which led to a decrease in the number of accidents involving employees becoming caught in equipment from four to two, however, not only were the insufficient identification and improvement of equipment-related risks, 10 of 15 accidents occurred due to unsafe procedures and six accidents involved employees aged 50 years or older (including four accidents that involved time off from work). In addition to further promoting the intrinsic safety of equipment, countermeasures against human error and age-friendly measures are necessary. Also, the number of accidents at domestic contractors has increased sharply, from five to 18, and it is necessary to reinforce safety management at contractors.

2024 Occupational Safety Plan

In 2024, we will further promote the intrinsic safety of equipment and conduct various training and initiatives to prevent human errors and accidents. We will also raise awareness concerning age-friendliness as a safety measure to prevent incidents involving older workers.

Through these efforts, we will create a comfortable and safe work environment.

■ Action Plan for 2024 (Priority Policy)

1. Eliminate serious accidents through further promoting the intrinsic safety of equipment (penetration of idea of risk and safety)
 - Promote improvements to equipment including automated equipment of which the comprehensive inspections were conducted in 2023
 - Spread the concepts of intrinsic safety
2. Strengthen countermeasures against human error through initiatives to encourage employees act safely
 - Improve procedures while strengthening line management
 - Develop an environment in which employees think about safety from a first-person perspective with safety leaders trained at the Anzen Dojo as core members
3. Prevent accidents involving older employees through age-friendly measures
 - Educate age friendliness as measures for ensuring the safety of older employees such as physical fitness tests
4. Enhance risk sensitivity through introduction and deployment of more effective education and training
 - Enhance employees' sensitivity to risk
5. Prevent frequent accidents by contractors
 - Reinforce countermeasures against kitchen and grinder operations, inadequate construction safety plans, etc.

Employees' Occupational Health and Safety

Occupational Health Policy

Ensure a comfortable work environment through measures to improve the work environment and prevent illness

Occupational Health Goals and Results

	FY2023 Results	FY2024 Targets
1. Dust, lead, and specified substances		
1) Number of Control Class 3 workplaces	—	0 (excluding noise)
2) Number of Control Class 2 workplaces	Reduced 11 in 2022 to seven in 2023	Reduced
2. Noisy workplaces		
Control Class 3 workplaces with a workload value of 1 or more	4	1 or less
3. Employees with work-related ill health		
Number of ill employees (requiring treatment)	0	0
4. Mental health enhancement		
	▶ P.74	▶ P.74

Results on 2023 Initiatives

In terms of health, we are promoting equipment improvements with the goal of eliminating workplaces in the Control Class 3. We are also promoting systematic improvement of work environments to eliminate workplaces in Control Class 2. Based on the health patrol plan formulated by the Safety & Environment Control Department, we conducted joint patrols with health and safety officers in the Besshi District, where there is a high concentration of such workplaces, and the health and safety officers of business divisions provided guidance and followed up on progress in improving and maintaining work environments at business sites.

As for the health-related targets, we have achieved zero cases of work-related ill health. The number of Control Class 2 workplaces decreased from the previous year, but the number of Control Class 3 workplaces increased due to a deterioration of conditions in some workplaces despite progress made concerning equipment countermeasures and a trend of improvement. We will continue

to reinforce management with an ultimate target of reducing both Control Class 2 and 3 workplaces and create comfortable workplaces with no risk of work-related ill health.

In addition, the partial revision of the Industrial Safety and Health Act in May 2022 resulted in a major shift in the management of chemical substances from individual regulation to autonomous management. The Act came fully into effect on April 1, 2024. The Safety & Environment Control Department will ascertain the status of implementation at each workplace through the health and safety manager of each business division and will provide guidance on more appropriate management.

2024 Occupational Safety Plan

In 2024, we will collaborate closely with the Safety & Environment Control Center in the Besshi District, where there is a concentrate of worksites that require improvement, and with health and safety personnel in business divisions to reinforce improvement, maintenance, and management of work environments through patrols and sharing of information on improvement technologies to create comfortable work environments.

Action Plan for 2024

1. Improve and maintain Control Class 3 workplaces
 1. Upgrade management technique level and maintain improvement effect by line management
2. Improve Control Class 2 workplaces
 1. Promote equipment improvement led by top management
3. Improve and maintain noisy workplaces
 1. Equipment improvement led by top management
 2. Reduce individual exposure time
4. Implement secure countermeasures against hazardous chemical substances
 1. Ensure the three areas of management in occupational health and safety (working environment management, work management, and health management)
 2. For chemical substances, effectively use RA-DB to thoroughly understand the hazards of chemical substances and others and make them well informed
 3. Comply with the new chemical substance regulations
5. Ensure management of work histories subject to special medical examination

Employees' Occupational Health and Safety

Occupational Health and Safety Risk Assessments and Countermeasures

Risk Assessments

GRI 403-2

The SMM Group proactively uses risk assessments (investigation of hazard or harmfulness) to evaluate hazards and take appropriate countermeasures against sources of risk that may cause accidents or health hazards due to chemical substances, operations, or a combination of both. We strive to improve the level of health and safety by reporting the status of risk assessments and work environment improvements to the Occupational Health and Safety Committees and taking steady action.

Hazard Source Identification, Risk Assessment, and Accident Investigation (2023)

■ SMM Group

	Domestic business sites	Overseas business sites
Ensuring the quality of risk assessment processes and continuously improving management systems	Risk assessment has been introduced and risks at business sites are continuously improved. Its effectiveness of whether they contribute to preventing serious accidents is also reviewed on lines as appropriate.	Risk assessment has been introduced and risks at business sites are continuously improved. Its effectiveness is also reviewed as appropriate.
Processes for employees to report hazards and employee protection methods	Employees report by writing on minor incident cards or through morning meetings and informal discussions, etc., and necessary countermeasures are taken.	Employees report by writing minor incident cards or orally, and necessary countermeasure are taken.
Methods for protecting employees from work that might lead to illness or injury	In addition to risk assessment, various patrols, work observation, hazard prediction training, and mutual attention are taken to reduce risk.	In addition to risk assessment and hazard prediction activities, SMM is working to reduce risk through patrols.
Accident investigation, countermeasures and system improvement processes	When accidents occur, we consider and deal with each case through the accident reporting database to follow a certain process which includes identifying, addressing, remedying hazard sources. Measures tackling the hazard source are handled according to the hierarchy of controls (same for risk assessment, etc.), which prioritizes measures for equipment.	Investigations and countermeasures are implemented in accordance with systems at each business site including case studies and horizontal development. Measures tackling the hazard source are handled according to the hierarchy of controls, which prioritizes measures for equipment.

■ Regular Contractors

	Business sites in Japan	Overseas business sites
Ongoing improvements to risk assessment process, quality assurance and management systems	Implement through the same internal process as the ordering party (In some cases, using the ordering party's process).	At Coral Bay Nickel Corporation has introduced some of the risk assessment initiatives such as 10-second KY, and some of our partners have introduced risk assessment at Taganito HPAL.
Processes for employees to report hazards and employee protection methods	A framework in place to report minor incidents and findings to the ordering company, either orally or in prescribed forms, and to take necessary countermeasures.	A framework is in place so that if either the ordering company, or contractor finds information such as minor incident, will each other share.
Methods for protecting employees carrying out work that might lead to illness or injury	In addition to risk assessment, various patrols and work observation by ordering company are taken as necessary.	Focused on hazard prediction activities. Patrols by the ordering party are also conducted.
Accident investigation, countermeasures and system improvement processes	Implement through the same internal process as the ordering party (also, handled in the ordering party's disaster reporting database)	Either checks are made by the ordering company following reviewing disaster case by the contractor, or the ordering company works with the contractor to implement an investigation, countermeasures, and improvements. Measures tackling the hazard source are handled according to the hierarchy of controls, which prioritizes measures for equipment.

Inspections, Patrols

The head of the business division with jurisdiction conducts annual patrols of the business site, including affiliated companies under his/her jurisdiction, to confirm that health and safety management is being properly implemented (in 2023, 84 inspections were conducted at 46 business sites in Japan and overseas). In principle, once a year, the General Manager of the Safety & Environment Control Department or his/her designate conducts a security, safety, and occupational health management inspection of each business site, and reports the results to the president, the head of the business division with jurisdiction over the business site, and the head of the business site (in 2023, 30 inspections were conducted at 29 of the 47 business sites in Japan covered by the safety statistics). Furthermore, in the event of a serious accident or disaster, an on-site investigation is conducted immediately (in 2023, 20 inspections were conducted at 17 business sites).

Each business site conducts safety patrols by business site supervisors, work observation patrols at each workplace, and safety activities in small groups. Some workplaces receive guidance from outside instructors to check and improve dangerous locations at the site.

Employees' Occupational Health and Safety

Implementation of Occupational Health and Safety Education

GRI 403-5

Education and Training Related to Occupational Health and Safety

Legally mandated education	We conduct education at the time hiring as well as special training and training when starting hazardous or potentially harmful work.
Education beyond legal requirements	<ul style="list-style-type: none"> • In addition to legally mandated training, the following trainings are provided. • Education to foster qualified personnel (e.g., health and safety managers, industrial counselors) • Manager training (training for newly appointed site managers, training for safety managers on the section manager level and above at the time of selection, etc.) • Hazard simulations, internal workshops, small group activities (e.g., development of occupational accident case studies) • JCO Study Center training, lectures from external workshops (e.g., lifesaving and first-aid, drunk driving prevention)

Education in Hands-on Training Facilities

GRI 403-5

Since 2010, the SMM Group has been operating a hands-on training facility (Oji-kan Facility) in Niihama City, Ehime Prefecture, which consists of a Hazard Simulation Zone and an Equipment Skills Training Zone. The purpose of the Hazard Simulation Zone is to increase sensitivity to occupational safety and occupational health through simulated experiences of dangers that may be present in daily work, while the purpose of the Equipment Skills Training Zone is to develop operators with strong skills in equipment and devices through hands-on experience with actual on-site equipment, cut models, etc. In both zones, in addition to the curator and full-time instructors, site managers and supervisors, and veteran employees provide training as appointed instructors. Oji-kan Facility staff have been traveling to workplaces since 2013 to conduct on-site hazard simulation training, and we are working to expand the number of participants. In addition, each business site uses Oji-kan Facility based on a risk assessment of its own workplace to conduct safety education through its own unique program.

Number of Employees Using the Oji-kan Facility and Attending On-site Training (as of the end of 2023)

Oji-kan Facility users	21,790
(Breakdown) Group companies in Japan	17,261
Contractors	4,416
Overseas business sites	113
Attendees of on-site training	9,736
Total	31,526

Also, since September 2023, Coral Bay Nickel Corporation (CBNC) in the Philippines has been offering hazard experience training that makes reference to the Oji-kan at the Safety Skills and Training Center (SSTC), and a total of 100 Filipino employees have participated in the training.

External Communication

We participate in the health and safety committees of the Japan Mining Industry Association and Kyohokai¹ to obtain information on legal revisions and response methods, and to introduce the latest health and safety technologies and improve the level of health and safety through reciprocal visits of members' factories and by developing good practices.

We also use outside consultants to conduct safety culture assessments at SMM Group's major business sites, and the Safety & Environment Control Department presents the results to the business sites and discusses them to improve safety initiatives.

¹ Kyohokai: Consists of more than 200 contractors for Toyota Motor Corporation

Health and Safety Management in the Besshi District

In the Besshi District of Niihama City, Ehime Prefecture, where many of the Group's business sites are located, the Besshi-Niihama District Division Safety & Environment Control Center plays a central role in improving the level of health and safety management by providing guidance on health and safety management initiatives to business sites including Group companies in the district, holding regular information exchange meetings and study sessions, and conducting cross-patrols.

Data on Employee's Occupational Health and Safety

- Work-Related Incidents [▶ P.96](#)
- Work-Related Ill Health [▶ P.97](#)
- Occupational Health and Safety Management System [▶ P.98](#)
- Identification of Hazard Sources, Risk Assessment, and Accident Investigation (2023) [▶ P.99](#)
- Services, Education, and Training Related to Occupational Health and Safety (2023) [▶ P.99](#)

Co-Existence and Mutual Prosperity with Local Communities

Approach and Policy

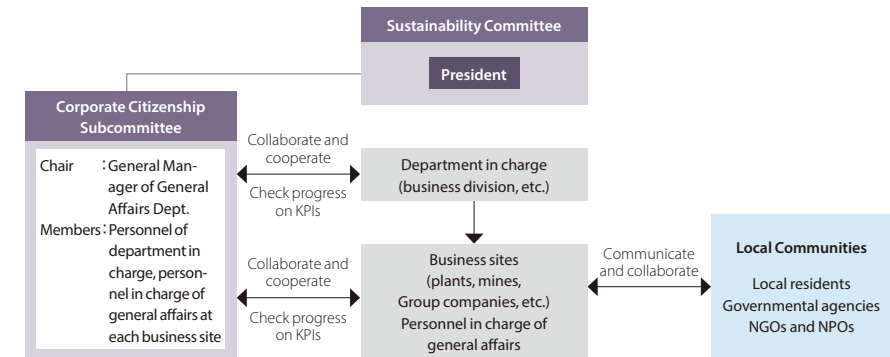
The development of mining or smelting and refining projects can have a considerable impact on the lives of local residents, including forcing relocations. We think it is important that we engage with communities in the areas in which we do business through dialogue to find out what issues they are facing, consider how we can contribute, and take action to contribute to solutions.

Management Framework

The secretariat of the Corporate Citizenship Subcommittee and personnel strive to understand the issues and expectations in each region while engaging in dialogue with local communities and then use this understanding to implement social contribution activities. Personnel gather for regular exchanges of opinions four times a year, during which they share information on the social contribution activities being conducted at each business site. We also verify the effects of our business and social contribution activities through dialogue with local governments and local communities. Any complaints or grievances are acknowledged and responded to by business sites and we strive to share and understand the details so that improvements can be made.

GRI 3-3

Management Framework Chart



Support the Local Community via Employee Participation

One community support program that we implement with the participation of employees is the employee-participation volunteer program, which we launched at the Head Office in October 2023. This program is intended to contribute to local communities in each region where we conduct business as well as reinforce human capital by improving employee engagement and exposing personnel to diverse perspectives, leading to personal growth, and to instill a corporate culture of social contribution.

Going forward, we will look into implementing employee participation volunteer programs at sites other than the Head Office and engaging in pro bono activities that contribute to the development of infrastructure for local NGOs.

Co-Existence and Mutual Prosperity with Local Communities

External Support

External Educational and Skills Support

The SMM Group conducts educational and skill programs for local people involved in the communities where our business sites are located, contributing to local development. In FY2023, we implemented 40 such programs.

Scholarship Program Established to Develop Human Resources Who Contribute to Local Communities

As one of the measures to support the nurturing of the next generation, in FY2023 we established the JEES-SMM Regional Contribution Scholarship within the Japan Educational Exchanges and Services (JEES) based on our donation to support students who are willing to contribute to the sustainable development of the regions where our business sites are located and who need financial assistance.

This scholarship provides JPY100,000 per month, non-repayable until graduation, to students who are motivated to contribute to the sustainable development of the Tama District of Tokyo, Hyogo, Ehime, and Kagoshima Prefectures. We awarded scholarships to 20 students in FY2023.

To date, the first step of the program has been “discovery” to help scholarship recipients learn about community support. In-person training was conducted in Niihama City, Ehime Prefecture, the site of the former Besshi Copper Mine, with the objective of helping the students gain the perspective needed to contribute to local communities by understanding the history and background of the local community, experiencing its characteristics firsthand, and developing empathy for the people who live and work in the community. Starting in the next fiscal year, we plan to conduct programs for scholarship recipients to “dig deeper” into what they discovered, define their own purpose in contributing to the community, and becoming “involved” in actual community contribution measures with the goals of learning about the philosophy and vision of the SMM Group, becoming supporters, and actively participating in the communities where our business sites are located.

Examples of Educational Programs Supported by SMM

Program	Overview	Beneficiaries (stakeholders)	Contribution amount (in local currency)	Number of participants/subjects
Inquiry-based learning support (Tokyo)	Support for the inquiry-based learning of first-year students using corporate PR material development as the subject matter	Students at Tokyo Metropolitan Akirudai High School	—	230
On-site project (Ehime Prefecture)	An introduction to the history of Sumitomo in relation to the SDGs	Fourth-grade students at all elementary schools in Niihama City	—	786
Educational support for indigenous peoples (Philippines)	Educational support for indigenous peoples at 38 learning centers in Bataraza and Rizal Provinces	Indigenous peoples	17,000,000 PHP	—
Sumitomo Metal Mining Oceania supported Scholarships (Australia)	A scholarship program for university students under the age of 30 years. Recipients are provided an opportunity to experience work at the Northparkes Mine	University students under the age of 30 years in the central-western region of New South Wales	9,000 AUD	3
University of Atacama scholarship (Chile)	A scholarship program for female engineering students at the University of Atacama	Female engineering students at the University of Atacama	4,000,000 CLP	8

Co-Existence and Mutual Prosperity with Local Communities

Leadership Development and Training Programs in Regional Communities

We contribute to the further development of regional society in areas where we conduct business by develop leadership in local communities and providing training programs through support in the form of funding and human resources. In FY2023, we implemented 11 programs.

Ome-Hamura Corporate Collaboration Social Contribution Project

The Ome District Division launched the Ome-Hamura Corporate Collaboration Social Contribution Project with the local social welfare council, other local companies, and Tama University Research Institute to develop a shared understanding of social issues based on dialogue and take action to resolve those issues through collaborative efforts. For this project, Tama University faculty members held six study sessions with members of the local social welfare council, government officials, and local companies (a total of about 60 participants) while coordinating with one another to deepen mutual understanding between the public and private sectors concerning the potential of initiatives that could lead to the creation of value for the community. The initial result was joint purchases with other local companies of bread, sweets, and other items produced by local businesses that employ persons with disabilities which led to the initiation of measures for improving the job satisfaction and wages of the employees of those businesses. The project was launched in April 2024 with project management transferred local social welfare council. Going forward, we will support expansion of networks and other measures to encourage even further value creation in the community.

■ Example of Leadership Development and Training Programs

Program	Overview	Beneficiaries (stakeholders)	Contribution amount (in local currency)	Number of participants/ subjects
TAMA-SIL Regional Social Problem-Solving Experience Program	A network of young workers across local governments was created to discover, identify, and solve regional issues through collaboration with local companies and universities and practice the solutions in their day-to-day work	Young workers of local governments under the Tokyo Metropolitan Government	—	30
Support for organic rice cultivation (Philippines)	Support for organic rice cultivation through support for the livelihoods of local residents	Agricultural employees in Daywan Barangay, Sapa, and Ladgaron	6,050,000 PHP	—
Support for sale of indigenous handicrafts	An exhibition and sales facility for IP indigenous handicrafts was created along the main road in Urbiztondo village and a Facebook account was created for online marketing of products	Indigenous peoples	300,000 PHP	—
University and high school construction support (Philippines)	Construction of Surigao Norte State University and Cagadianao High School	Students of Surigao Norte State University and Cagadianao High School	20,000,000 PHP	—

Co-Existence and Mutual Prosperity with Local Communities

Understanding Issues through Dialogue with Local Communities

GRI 2-24/2-25/2-26/2-29/203-2

The Ome District Division and the Tama University Research Institute collaborated to conduct a model project for dialogue and collaboration called the Localized Contribution Survey. The purpose of this survey was to identify local issues through research, and to develop, operate, and evaluate our unique program that contributes to solving these issues.

Specific initiatives started with interviews of local governments, neighboring companies, and their employees and panel discussions and workshops with local stakeholders. Later, the Ome District Division established the Social Contribution Promotion Committee, which played a central role in formulating the site's unique OME VISION, leading to employees, who are also local residents, taking the initiative in contributions to the local community and raising interest in local issues. In the future, we will develop a mechanism to evaluate individual initiatives based on the OME VISION.

In addition, the model projects implemented at the Ome District Division will be implemented at other business sites to contribute to the sustainable development of local communities by resolving issues faced by those communities.

When grievances are voiced by governmental agencies or local communities at each site, we respond appropriately and share the information within the Company, and the details of grievances are recorded and reported to the responsible departments every six months. In FY2023, the Group received six grievance reports from local residents. All of these were handled in an appropriate manner.

Community Engagement by the Resources Business

GRI 413-2/G4-MM7/G4-MM9

Whenever we have no choice but to ask local residents to relocate their residences due to development of a mine or related facilities, we provide alternative sites and obtain their understanding in advance. At the Hishikari Mine, we asked three local households to relocate between 1983 and 1989, and at THPAL, we asked 41 households in the affected area to relocate.¹

We are also planning to implement a human rights due diligence program targeting local residents at our overseas sites. Furthermore, when closing a mine, we work to maintain local employment through initiatives such as building plants for other businesses in the area. For example, when excavation at the Kunitomi Mine was stopped because of resource depletion, it continued to operate as a Smelter & Refinery. Then, when the Smelter & Refinery was closed in 1973, it was converted into a plant for manufacturing materials used in electronic components. Currently it is being operated by Sumiko Kunitomi Electronics Co., Ltd. and produces high-quality products, such as lithium tantalate and samarium iron nitride.

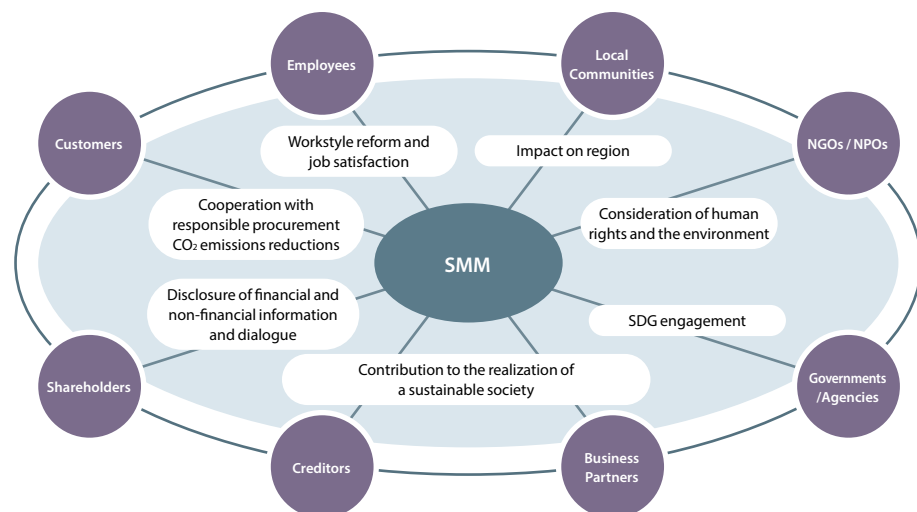
¹ The relocation was planned in accordance with the World Bank Operational Policy on Involuntary Resettlement and was completed by December 2010 with the consent of all residents. After the relocation, we have continued to provide support for the repair and maintenance of the houses, as well as livelihood restoration support programs that encourage residents to acquire skills and know-how that will enable them to generate income in the future.

Engagement with Stakeholders

Approach and Policy

GRI 3-3

To realize our Vision for 2030, which aims to solve social issues, gaining the trust of stakeholders is essential. We are working to ensure that our diverse stakeholders correctly understand the Group as it truly is and encouraging them to share in our goal of becoming the world leader in the non-ferrous metals industry. We have identified the groups of stakeholders who affect the SMM Group or are affected by us as customers, shareholders, employees, local communities, creditors, business partners, NGOs and NPOs, and government agencies. We have set targets for how we should engage with each of these groups, and we are advancing various initiatives to achieve these targets.



SMM's Vision for Stakeholder Engagement

GRI 2-29

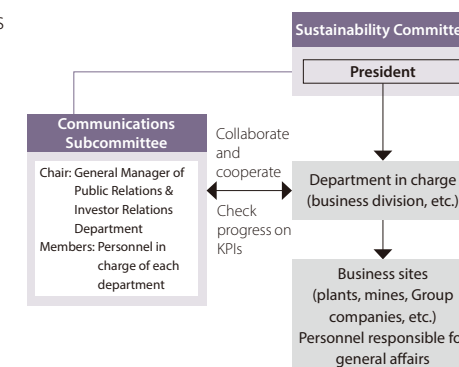
Customers	Be a company that accurately understands customer needs and has comprehensive competitiveness with an edge over other firms with respect to technology, quality, delivery and costs.
Shareholders	Be an excellent entity in which to invest: one that pursues maximum corporate value through growth strategies and sound governance, disburses dividends matching its business performance, and discloses information as appropriate.
Employees	Be a company that provides a favorable work environment, clearly defines the roles of all individuals within the organization, and makes employees proud to work for it.
Local Communities	Be a company that coexists well with its local communities, makes positive contributions to those regions' development, and acts with respect for the traditions and culture of indigenous peoples.
Creditors	Be a company that has earning capacity, outstanding financial strength, and trustworthiness.
Business Partners	Be a company that possesses outstanding technological strength, places importance on integrity and trust, and which is capable of conducting business on an equal footing for co-prosperity.
NGOs / NPOs	Be a company that listens to diverse opinions on social issues and undertakes appropriate communication through dialogue and other means.
Governments/ Agencies	Be a company that ensure compliance fully and makes positive contributions for the benefit of the countries and local communities where it is undertaking its projects.

Management Framework

GRI 3-3

Engagement with stakeholders is one of our material issues, and each of our business divisions and business sites serve as a contact points for dialogue with governmental agencies and local communities. Furthermore, the Public Relations & Investor Relations Department, which serves as the secretariat of the Communications Subcommittee, compiles internal information and engages in dialogue with the media and investors. The Communications Subcommittee, a subordinate body of the Sustainability Committee, confirms the progress of KPIs on cooperation with members dispatched from the business and corporate divisions.

Management Framework Chart



Engagement with Stakeholders

Main Stakeholder Engagement Measures

GRI 2-28/2-29

Stakeholders	Purpose	Content	Communication methods
Customers	Correctly understand customer needs	Dissemination of information on the Company and its business activities	Various media, website
		Guidance for products, service, and business activities, and in-house sharing of feedback, including opinions and requests	Business activities
		Matters related to ESG, mineral sourcing, etc.	Survey responses
Shareholders (Including Investors)	Enhance corporate value through growth strategies and firm governance and carry out appropriate information disclosure	Financial results, business reports, ESG information, etc.	General meetings of shareholders
			Briefings on financial results and progress of business strategy
			Telephone conferences aligned with financial results disclosures
			Sumitomo Metal Mining IR-Day 2023
			Meetings with institutional investors from Japan and overseas
			Issuance of shareholder communications
Employees	Make workplaces where employees are proud to work by building good work environments and ensuring each individual has a clear role within the organization	Dissemination of management information including business activities, event information, etc.	In-house bulletins and intranet
		Provision of various educational and training opportunities	Various training activities
		Information concerning work environments, communication, harassment, usage of reporting channels, etc.	Various surveys (employment environment surveys, employee awareness surveys, stress check surveys)
		Discussion and mutual understanding concerning issues between labor and management	Labor-management council meetings, labor-management discussions, and Labor-Management Advisory Committee meetings
			Central Labor-Management Conference
Local Communities (Including Indigenous Peoples)	Coexist with the local community, contribute to regional development, and behave with respect for the traditions and culture of indigenous peoples	Exchange with and contribution to the development of local communities	Social contribution activities in each region
Business Partners (Including Suppliers)	Reduce risk related to human rights and labor, compliance, quality assurance, and environment and local communities, etc., and practice sustainable procurement	Exchanges of opinions on human rights issues with external experts, indigenous peoples, etc.	Exchanges of opinions on human rights, including the rights of indigenous peoples
		Explanations of the Sustainable Procurement Policy, sustainability matters, etc.	Videos explaining sustainability
NGOs / NPOs	Listen to diverse opinions regarding social issues and maintain appropriate communication, including dialogue	Discussion regarding sustainability (particularly business and human rights)	Visits to business partners
			Regular exchanges of opinions
Government Agencies	Practice thorough compliance and contribute to the development of the countries and communities in which we do business	Information gathering and exchanges of opinions	Regular exchanges of opinions



Main Organizations in Which SMM Has Membership

https://www.smm.co.jp/en/sustainability/management/stakeholders/stakeholders_6.html

Engagement with Stakeholders

Participation in and Declarations of Support for International Organizations

GRI 2-28

SMM participates in international organizations, declares its support for them, , complies with the organizations' rules, and supports their activities. As a company in the mining and metal smelting and refining industries, we undertake initiatives for the sustainable development demanded of us.

International Council on Mining and Metals (ICMM)

ICMM is an international organization established to ensure that the mining and metals industries are made safe, fair, and sustainable. It is comprised of the world's biggest mining and metals companies, as well as regional and commodity-focused organizations. SMM is a member company. ICMM has Mining Principles as guidance for environmental, social, and governance initiatives in the mining and metals industries. The Mining Principles comprise 10 Principles, a set of performance expectations that stipulate specific targets for action on these principles, position statements concerning certain specific issues, and an assurance and validation procedure. The ICMM also requires member companies to transparently disclose information in accordance international standards.

The SMM Group reflects the ICMM 10 Principles and its position statement in the visions and materiality issues of our Vision for 2030. We also disclose information in accordance with the Global Reporting Initiative (GRI) standard, which is an international standard on the disclosure of sustainability information, as well as the Global Industry Standard on Tailings Management (GISTM) and the Social and Economic Reporting announced in 2022 by the ICMM.

 **ICMM**
<https://www.icmm.com/>

 **Performance Expectations**
<https://www.icmm.com/en-gb/our-principles>

 **Social and Economic Reporting: Framework and Guidance**
<https://www.icmm.com/en-gb/our-principles/validation/social-and-economic-reporting>

The 10 Principles of the ICMM

- Principle 1** Apply ethical business practices and sound systems of corporate governance and transparency to support sustainable development.
- Principle 2** Integrate sustainable development in corporate strategy and decision-making processes.
- Principle 3** Respect human rights and the interests, cultures, customs and values of workers and communities affected by our activities.
- Principle 4** Implement effective risk-management strategies and systems based on sound science and which account for stakeholder perceptions of risks.
- Principle 5** Pursue continual improvement in physical and psychological health and safety performance with the ultimate goal of zero harm.
- Principle 6** Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change.
- Principle 7** Contribute to the conservation of biodiversity and integrated approaches to land-use planning.
- Principle 8** Facilitate and support the knowledge-base and systems for responsible design, use, re-use, recycling and disposal of products containing metals and minerals.
- Principle 9** Pursue continual improvement in social performance and contribute to the social, economic and institutional development of host countries and communities.
- Principle 10** Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner. Effectively report and independently verify progress and performance.

Position Statements

ICMM has set forth the following position statements regarding important individual issues. The SMM Group is committed to complying with these initiatives.

Diversity, Equity and Inclusion/Transparency of Mineral Revenues/Climate Change/
Water Stewardship/Tailings Governance/Indigenous People and Mining/
Mining Partnerships for Development/Mercury Risk Management/ Nature/

Engagement with Stakeholders

Validation of Implementation and Progress of Performance Expectations (PEs)

Starting in FY2020, we have conducted self-assessment on the corporate level and subject asset (site¹) level according to the periods designated by the ICMM. Furthermore, in FY2021 we prioritized sites to undergo third party validation. Since FY2022, we have obtained third-party validation for one site, and each year we disclose the results (implementation reports) based on the prioritization in accordance with the three-year cycle set by the ICMM. We plan to revise the prioritization of target sites every three years in accordance with ICMM provisions.

■ Results of Prioritization

Implementation in FY2021: Toyo Smelter & Refinery, Hishikari Mine, Niihama Nickel Refinery

■ SMM's Definition of Site Prioritization

Sites that produce or smelt and refine gold, silver, copper, and nickel, which are included in the minerals subject to international responsible mineral sourcing, sites that are large in scale (production volume, number of employees, etc.), and sites that produce metals as finished products (excluding facilities producing intermediate products)

■ Status of Third-Party Validation and Implementation Reports

	FY2022	FY2023	FY2024 (planned)
Target sites	Toyo Smelter & Refinery	Hishikari Mine	Niihama Nickel Refinery



ICMM Performance Expectations implementation report
<https://www.smm.co.jp/en/sustainability/icmm/>

■ Corporate-level PE Self-Assessment Results (conducted in 2023)

Outcome ¹				Total
Meets	Partially Meets	Does not meet	N/A	
14	14	2 ²	0	30

¹ Each of the PEs was evaluated in light of the judgment criteria indicated for each PE in ICMM's Validation Guidance, as follows

Meets: Systems and/or practices related to the PE have been implemented (all the judgment criteria in the Validation Guidance are met) and there is sufficient evidence thereof

Partially meets: Systems and/or practices related to the PE have been partially implemented (some judgment criteria of Validation Guidance are met). Or, verifiable evidence provided is insufficient

Does not meet: Systems and/or practices related to the PE are not in place (all Validation Guidance judgment criteria are not met) or there is no evidence thereof

N/A: Not applicable

² Items that fell under "does not meet," the reasons for the differences compared to "meets," and future initiatives

• PE1.5: Political contributions

Data on political contributions are not disclosed. We will consider the possibility of disclosing this information in the future

• PE 7.1: Operations in World Heritage sites

Since there is no clear policy for the Group regarding the exploration and development of mines in World Heritage sites, we will consider formulating such a policy

Currently, the Group does not conduct any mining exploration or development in the World Heritage sites



¹ Defined by ICMM as operations involved in the production or refining of minerals and metals for sale or further processing.








Engagement with Stakeholders

Social and Economic Reporting

To evaluate the social and economic contributions that we make to local communities through our business activities and to provide consistent information to stakeholders, we decided to issue reports based on the ICMM Social and Economic Reporting starting in 2023. The eight core indicators of social and economic contribution specified in the Reporting serve as benchmarks for the mining sector and indicate the contributions that ICMM member companies make to economic growth, employment, skills, advancement of health and education, and various other development opportunities in the regions where they conduct business.

As a result of investigating from various perspectives including legal, privacy, and data system development, we currently do not disclose information on some of the recommended indicators, but we plan to report on all of the indicators starting in FY2025.

Priority fields and related SDGs	Eight core indicators		
Taxes 	Indicator 1 Country-by-country reporting of business activities, revenues, profit and tax • Financial, economic, and tax-related information for each jurisdiction in which SMM operates Income tax by country or region ▶ P.111	To be reported starting with the 2024 report	
Employment 	Indicator 2 Workforce composition • Total number of direct employees by region and age and gender ratios by employee category • Workforce ratio of full-time employee and temporary employees from contractor ¹ Number of officers and employees (by country and region) ▶ P.100	Percentage of female employees (SMM) 13.0%	
		Percentage of female managers 3.2%	
	Indicator 3 Pay equality • Basis salaries by employee categories and major business site and male to female ratio of total compensation Gender Balance (women's active engagement) ▶ P.108	(SMM) Basis salary 169 Total compensation 153	Men 100 100 Women
	Indicator 4 Wage level • Ratio of entry-level wages versus local minimum wage by gender • Ratios of CEO compensation to median employee compensation ² Standard Entry-Level Salary to Regional Minimum Wage ▶ P.109 Annual Total Compensation Ratios (FY2023) ▶ P.119	Standard entry-level salary (high school graduate) to regional minimum wage (Ehime Prefecture) 130% Ratio of the organization's highly-paid individuals to the total compensation for employees 975%	

Priority fields and related SDGs	Eight core indicators		
Workforce development  	Indicator 5 Training provided • Average hours of training per employee and average spend on training • Percentage of employees receiving training provided per category Time Spent on and Investment in Employee Education ▶ P.105-106	Training time 24.7 hours/person Training expenditure 145,000 zz/person	
Procurement  	Indicator 6 Local procurement • Percentage of procurement spend at main business sites that is spent on suppliers local to operations Percentage of Procurement from Local Suppliers and Percentage of Employees Hired Locally ▶ P.110		
Education and skills 	Indicator 7 Education and skills support for persons other than employees • Overview of education and skill programs deployed for persons outside the company Examples of Educational Programs Supported by SMM ▶ P.88	Education and skill programs 40 programs	
Capacity and institutions  	Indicator 8 Capacity and institution support for persons other than employees • Overview of capacity and institution support programs for persons outside the company Examples of Leadership Development and Training Programs ▶ P.89	Capacity enhancement programs 11 programs	

¹ In FY2023, the number of temporary employees is disclosed in the contractor category, but the data for each quality area is not disclosed

² The CEO compensation is the total annual compensation of highly-paid employees of the company and is calculated as the total annual compensation of internal directors (including the employee salaries of any directors concurrently serving as employees) divided by the number of internal directors

Extractive Industries Transparency Initiative (EITI)

We agree with and have declared our support for the aims of the Extractive Industries Transparency Initiative (EITI).¹

¹ EITI is a framework for multinational cooperation that enhances transparency in the flow of funds from the so-called extractive industries, those that are involved in oil, gas, and mineral resources, to the governments of resource-producing countries, to prevent corruption and conflict and thereby promote responsible resource development that leads to growth and the reduction of poverty

Social Data

Employees' Occupational Health and Safety

Work-Related Incidents

GRI 403-9

		Reporting boundary ¹	Unit	2019	2020	2021	2022	2023	✓
Work-related fatalities	Number of injuries	Business sites in Japan	Employees	1	0	1	0	0	
			Non-employee workers	0	0	1	0	0	
	Frequency rate ²	Overseas business sites	Employees	0	0	0	0	0	
			Non-employee workers	0	0	0	0	0	
		Business sites in Japan	Employees	0.08	0.00	0.07	0.00	0.00	
			Non-employee workers	0.00	0.00	0.50	0.00	0.00	
Work-related injuries resulting in disability	Number of injuries	Business sites in Japan	Employees	0	0	0	0	1	
			Non-employee workers	0	0	0	1	1	
	Frequency rate ²	Overseas business sites	Employees	0	0	0	0	0	
			Non-employee workers	0	0	0	0	0	
		Business sites in Japan	Employees	0.00	0.00	0.00	0.00	0.08	
			Non-employee workers	0.00	0.00	0.00	0.50	0.48	
Number of recordable work related injuries	Number of injuries ³	Overseas business sites	Employees	0.00	0.00	0.00	0.00	0.00	
			Non-employee workers	0.00	0.00	0.00	0.00	0.00	
	Frequency rate ²	Business sites in Japan	Employees	14	15	20	24	15	
			Non-employee workers	11	8	8	5	18	
		Overseas business sites	Employees	1	0	1	1	1	
			Non-employee workers	6	3	7	3	2	
	Frequency rate ²	Business sites in Japan	Employees	1.05	1.13	1.48	1.63	1.16	
			Non-employee workers	4.05	4.07	3.99	2.48	8.72	
		Overseas business sites	Employees	0.35	0.00	0.35	0.31	0.30	
			Non-employee workers	0.67	0.28	0.58	0.25	0.17	

		Reporting boundary ¹	Unit	2019	2020	2021	2022	2023
Cumulative hours worked	Business sites in Japan	Employees		13,321,652	13,288,058	13,528,961	14,722,399	12,978,097
		Non-employee workers	hours	2,714,000	1,966,000	2,004,000	2,018,000	2,064,000 ^{4,5}
	Overseas business sites	Employees		2,826,000	2,856,000	2,870,000	3,240,000	3,306,000 ⁴
		Non-employee workers	hours	8,922,000	10,620,000	11,980,000	12,158,000	11,992,000 ^{4,5}
Number of potential incidents ⁶	Business sites in Japan	Employees		26	20	26	40	29
		Non-employee workers	cases	14	7	7	14	20
	Overseas business sites	Employees		1	0	0	2	0
		Non-employee workers	cases	2	1	2	6	0

1 "Employees" includes employees and part-time workers from Group companies

2 Frequency rate calculated per 1,000,000 hours

3 "Recordable work-related injuries" is the total of injuries that required hospital treatment and resulted in absence from work and injuries not resulting in absence from work

4 Estimated based on one person working 2,000 hours per year

5 Total working hours of workers other than employees (those working at regular contractors) based on survey numbers from May of each year.

Calculated based on note 4 above

6 The number of minor incidents (visited the hospital but no treatment needed)

Work-Related Incidents (2023 results)

GRI 403-9

	Business sites in Japan	Overseas business sites
Main types of work-related incident	Caught in/between, cut, contact to high or low-temperature, reaction to motion/improper motion, fall from height, falling to same level, crashed by injuries	Reaction to motion/improper motion, caught in/between, crashed by, falling to same level
Sources of work-related hazards that could lead to disability, and method of determination	Sources have been classified based on analysis into damage caused by incidents in the past: 1) Heavy loads, 2) chemicals, 3) high-temperatures objects 4) rotating objects, 5) electricity, 6) high places, 7) heavy machinery, 8) cylinders, 9) hand tools	Applied based on the results of analysis of incidents in Japan: 1) Heavy loads, 2) chemicals, 3) high-temperatures objects, 4) rotating objects, 5) electricity, 6) high places, 7) heavy machinery, 8) cylinders, 9) hand tools

Social Data

	Business sites in Japan	Overseas business sites
Incidents leading to disabilities and resulting from sources of work-related hazards, and actions taken or underway to eliminate these hazards using the hierarchy of controls ¹	<p>Employees</p> <ul style="list-style-type: none"> • Rotating objects (resulting in absence from work): doors with interlocks, installation of covers, and posting prohibited entry areas • Cylinders(not resulting in absence from work): improve interlock, install startup switches at better position <p>Contractors</p> <ul style="list-style-type: none"> • High-temperatures objects(resulting in absence from work): install a titanium lid at openings, place "No entry" fences or signs • Rotating objects(resulting in absence from work): install covers, improve startup method, and improve protective globes • Heavy machinery(resulting in absence from work): make a rule of evacuation including the evacuation area after the detaching work, assign a person who gives the signal for evaluation 	N/A
Incidents resulting from other sources of workplace hazards and actions taken or underway to eliminate these hazards using the hierarchy of controls ¹	N/A	N/A

¹ Hierarchy of controls: An approach for lowering risk to acceptable levels by prioritizing in order of elimination of source of risk, substitution of source of risk, engineering controls, administrative controls, and personal protective equipment
Source: The US National Institute for Occupational Safety and Health (NIOSH)

Work-Related Ill Health

GRI 403-10

	Reporting boundary ¹	Unit	2019	2020	2021	2022	2023
Number of fatalities as a result of work-related ill health	Business sites in Japan	Employees	0	0	0	0	0
		Non-employee workers	0	0	0	0	0
	Overseas business sites	Employees	0	0	0	0	0
		Non-employee workers	0	0	0	0	0
Number of cases of recordable work-related ill health	Business sites in Japan	Employees	0	0	0	0	0
		Non-employee workers	—	—	0	0	0
	Overseas business sites	Employees	0	0	0	0	0
		Non-employee workers	0	0	0	0	0

¹"Employees" includes employees and part-time workers from Group companies

Work-Related Ill Health (2023 results)

GRI 403-10

	Business sites in Japan	Overseas business sites
Main types of work-related ill health and method of determination	<p>As stated in the Japanese occupational health and safety laws and regulations</p> <ul style="list-style-type: none"> • Pneumoconiosis • Ionizing radiation injury • Organic solvent poisoning • Damage caused by specified chemical substances (occupational cancer, skin damage, etc.) • Lead poisoning • Vibration-induced damage • Noise-induced hearing loss • Occupational dental problems (dental erosion, etc.) 	<p>As set forth in the Occupational Safety and Health Standards of the Philippines</p> <ul style="list-style-type: none"> • Occupational cancer •Hearing loss •Dermatitis • Ionizing radiation injury • Poisoning and sequelae due to chemical substances • Pneumoconiosis •Pneumonia •Vibration-induced damage • Malaria • Asbestos-related diseases, etc. <p>As set forth in the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases</p> <ul style="list-style-type: none"> • Pneumoconiosis and other respiratory diseases • Dermatitis •Hearing loss •Vibration-induced damage • Dental erosion •Chemical poisoning •Radiation injury • Occupational cancer, etc <p>As set forth in the Occupational Safety and Health Act (Taiwan)Labor Insurance Act</p> <ul style="list-style-type: none"> • Pneumoconiosis •Ionizing radiation injury •Hearing loss • Vibration-induced damage •Dental erosion •Dermatitis • Poisoning and sequelae due to chemical substances (organic solvent poisoning, etc.) <p>As set forth in Vietnamese law</p> <ul style="list-style-type: none"> • Pneumoconiosis •Lead poisoning • Organic solvent poisoning •Noise-induced hearing loss • Vibration-induced damage •Skin damage • Occupational cancer
Sources of work-related hazards that lead to work-related ill health	<ul style="list-style-type: none"> • Dust • Ionizing radiation • Organic solvents • Specified chemical substances • Lead •Vibrating tools •Noise • Substances that erode the teeth (acids) 	—
Incidents resulting from sources of work-related hazards leading to work-related ill health and actions taken or underway to eliminate these hazards using the hierarchy of controls ¹	<ul style="list-style-type: none"> • No work-related ill health occurred that required treatment • Promoting improvement of working environment in workplaces at management area for the 2nd class and over • Using a risk assessment database of chemical substances to prevent illness 	No work-related ill health occurred that required treatment

¹ Hierarchy of controls: An approach for lowering risk to acceptable levels by prioritizing in order of elimination of source of risk, substitution of source of risk, engineering controls, administrative controls, and personal protective equipment
Source: The US National Institute for Occupational Safety and Health (NIOSH)

Social Data

Occupational Health and Safety Management System

GRI 403–1/403–8

■ SMM Group

	Reporting boundary ¹	Unit	2019	2020	2021	2022	2023
Workers covered by an Occupational Health and Safety Management System	Business sites in Japan		6,885 (100)	6,849 (100)	7,008 (100)	6,760 (100)	6,836 (100)
	Overseas business sites		1,357 (100)	1,431 (100)	1,452 (100)	1,644 (100)	1,653 (100)
Workers covered by an Occupational Health and Safety Management System subject to internal audits ³	Business sites in Japan	people	6,885 (100)	6,849 (100)	7,008 (100)	6,760 (100)	6,835 (100)
	Overseas business sites	(%)	1,357 (100)	1,431 (100)	1,452 (100)	1,644 (100)	1,653 (100)
Workers covered by an Occupational Health and Safety Management System subject to third party audits and certification	Business sites in Japan		1,631 (24)	1,837 (27)	1,964 (28)	2,348 (35)	2,429 (36)
	Overseas business sites		89 (6)	90 (6)	99 (7)	98 (6)	88 (5)
Percentage of business sites with third party certification ⁵	Business sites in Japan	%	16.3	18.6	20.9	23.1	22.9
	Overseas business sites		60.0	60.0	60.0	50.0	50.0

■ Regular Contractors

	Reporting boundary ¹	Unit	2019	2020	2021	2022	2023
Workers covered by an Occupational Health and Safety Management System	Business sites in Japan		1,357 (100)	983 (100)	1,002 (100)	1,009 (100)	1,032 (100)
	Overseas business sites		4,461 (100)	5,310 (100)	5,990 (100)	6,079 (100)	5,996 (100)
Workers covered by an Occupational Health and Safety Management System subject to internal audits ³	Business sites in Japan	people	1,333 (98)	979 (99)	1,002 (100)	1,000 (99)	1,030 (99)
	Overseas business sites	(%)	3,551 (100)	5,310 (100)	5,990 (100)	6,079 (100)	5,996 (100)
Workers covered by an Occupational Health and Safety Management System subject to third party audits and certification	Business sites in Japan		21 (2)	21 (2)	21 (2)	23 (2)	22 (2)
	Overseas business sites		0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
Percentage of business sites with third party certification ⁶	Business sites in Japan	companies	1	1	1	1	1
	Overseas business sites		–	–	–	–	–

1 Includes temporary employees covered by SMM Group occupational health and safety administration

2 Japan: We have built an occupational health and safety management framework as stipulated by the Japanese Industrial Safety and Health Act, formulated policies, targets, and plans, and implemented a one-year PDCA cycle. Activities are carried out for each level of the organization and cover 100% of employees

Overseas: We have built the system in accordance with the occupational health and safety laws and regulations of each country

3 Japan: Internal audits are implemented at each business site in the form of inspections by the business division with jurisdiction, the Safety & Environment Control Department, the Besshi–Niihama District Division Safety & Environment Control Center (Besshi District), or other organizations. The inspections check each business site's policy, targets, activity plan, and implementation status and check to see if a PDCA cycle is being carried out or not

Overseas: The business division with jurisdiction carries out audits around twice a year in the form of inspections. Dongguan Sumiko Electronic Paste Co., Ltd. carries out an internal audit each year

4 Workers at business sites covered by safety statistics

5 Results for 2023 are as follows:

Japan: ISO 45001: Nippon Ketjen Co., Ltd.; Hishikari Mine; Hishikari Office, Mining Dept., Sumiko Resources Exploration & Development Co., Ltd.; Niihama Nickel Refinery; Toyo Smelter & Refinery
Japan Industrial Safety and Health Association (JISHA) OSHMS standards: Numazu Office and Tsukuba Office of N.E. Chemcat Corporation; Shinko Co., Ltd.; Ome District Division

Overseas: Safety and production standardization (State Administration of Work Safety): Dongguan Sumiko Electronic Paste Co., Ltd.
Safety and production standardization (State Administration of Work Safety): Shanghai Sumiko Electronic Paste Co., Ltd.
Third party audit implemented by the Ministry of Labor: Taiwan Sumiko Materials Co., Ltd.

6 Results for 2023 are as follows:

Japan: JISHA OSHMS standards: Certification acquired by one contractor of Hyuga Smelting Co., Ltd.

While there are cases where some small contractors do not implement checks on the level of internal audits, contracting organizations offer guidance on occupational health and safety and carry out patrols, inspections, and other measures, and the majority do implement checks on the level of internal audits

Overseas: At Coral Bay Nickel Corporation, internal audits take the form of patrols and contractor safety meetings led by the contracting organization. At Taganito HPAL, contractors implement internal audits or participate in patrols led by Taganito HPAL

Social Data

Identification of Hazard Sources, Risk Assessment, and Accident Investigation (2023)

GRI 403–2/403–7

■ SMM Group

	Business sites in Japan	Overseas business sites
Ensuring the quality of risk assessment processes and continuously improving management systems	Risk assessment has been introduced and risks at business sites are continuously improved. Its effectiveness of whether they contribute to preventing serious accidents is also reviewed on lines as appropriate.	Risk assessment has been introduced and risks at business sites are continuously improved. Its effectiveness is also reviewed as appropriate.
Processes for employees to report hazards and employee protection methods	Employees report by writing on minor incident cards or through morning meetings and informal discussions, etc., and necessary countermeasures are taken.	Employees report by writing minor incident cards or orally, and necessary countermeasure are taken.
Methods for protecting employees from work that might lead to illness or injury	In addition to risk assessment, various patrols, work observation, hazard prediction training, and mutual attention are taken to reduce risk.	In addition to risk assessment and hazard prediction activities, SMM is working to reduce risk through patrols.
Accident investigation, countermeasures and system improvement processes	When accidents occur, we consider and deal with each case through the accident reporting database to follow a certain process which includes identifying, addressing, remedying hazard sources. Measures tackling the hazard source are handled according to the hierarchy of controls (same for risk assessment, etc.), which prioritizes measures for equipment.	Investigations and countermeasures are implemented in accordance with systems at each business site including case studies and horizontal development. Measures tackling the hazard source are handled according to the hierarchy of controls, which prioritizes measures for equipment.

■ Regular Contractors

	Business sites in Japan	Overseas business sites
Ongoing improvements to risk assessment process quality assurance and management systems	Implement through the same internal process as the ordering party (In some cases, using the ordering party's process).	At Coral Bay Nickel Corporation has introduced some of the risk assessment initiatives such as 10-second KY, and some of our partners have introduced risk assessment at Taganito HPAL.
Processes for employees to report hazards and employee protection methods	A framework in place to report minor incidents and findings to the ordering company, either orally or in prescribed forms, and to take necessary countermeasures.	A framework is in place so that if either the ordering company, or contractor finds information such as minor incident, will each other share.
Methods for protecting employees carrying out work that might lead to illness or injury	In addition to risk assessment, various patrols and work observation by ordering company are taken as necessary.	Focused on hazard prediction activities. Patrols by the ordering party are also conducted.
Accident investigation, countermeasures and system improvement processes	Implement through the same internal process as the ordering party (also, handled in the ordering party's disaster reporting database)	Either checks are made by the ordering company following reviewing disaster case by the contractor, or the ordering company works with the contractor to implement an investigation, countermeasures, and improvements. Measures tackling the hazard source are handled according to the hierarchy of controls, which prioritizes measures for equipment.

Services, Education and Training Related to Occupational Health and Safety (2023)

GRI 403–3/403–5

To ensure that employees have access to information on health and safety and disaster counter-measure services at all times, we distribute operational guidelines and procedure manuals, hang up bulletin boards, and post on the Company's intranet.

Item	Contents		Details
Working environment and work management	Health checkups and exams	We conduct health checkups (general, special, and specific) as stipulated by the Industrial Safety and Health Act.	
	Exposure countermeasures	In accordance with the Industrial Safety and Health Act, we implement the measuring of working environments, wearing of protective equipment, and management of exposure times.	
Health management	Provision of occupational physicians	In accordance with the Industrial Safety and Health Act, or under contract to an occupational physician, we provide health guidance, stress checks, etc. which make use of the results of health checkups.	
	Countermeasures against Infectious Diseases	<ul style="list-style-type: none">• We provide financial assistance for tetanus, hepatitis A, hepatitis B, and other vaccinations for employees on assignment overseas and their accompanying family members, taking into consideration the prevalence of these diseases in the destination countries.• We are continuing work from home and online meetings and events as a measure against COVID-19. In addition to subsidizing the cost of influenza vaccinations through the health insurance association, we have also established rules and guidelines for countermeasures against new strains of influenza and other infectious diseases.	P73-77, P81-86
	Mental health care	We conduct stress checks in accordance with laws and regulations, set up internal and external hotlines and counseling services, and provide self- and line-care training, etc.	
	Communication with employees	We collect employee requests and opinions through working environment questionnaires, inspection tours, and Labor-Management Advisory Committee meetings, and implement measures based on these requests and opinions.	
	Equipment, facilities, and supplies	Various equipment and facilities have been installed to provide a physically and mentally healthy working environment where employees can spend their time. Dining halls, break rooms, laundry rooms, bath/shower facilities (for dealing with specified chemical substances, etc.), first-aid kits and AED, emergency rooms, alcohol detectors, etc., accident prevention facilities, stockpile warehouses, company-owned sports facilities/grounds, company housing/dormitories, external fitness gyms, and spa facilities related to the Company, etc.	
Education and training on occupational health and safety	Legally mandated education	Education is provided at the time of new employee training, special education, and training when starting hazardous or potentially harmful operations, etc.	
	Education beyond legal requirements	<ul style="list-style-type: none">In addition to legally mandated training, the following training is provided.• Education to foster qualified personnel (e.g., safety managers, industrial counselors)• Hazard simulations, internal workshops, small group activities (e.g., development of occupational accident case studies)• JCO Study Center training, lectures from external instructors (e.g., life-saving and first-aid, drunk driving prevention)	P64, P86
Disaster countermeasures	Evacuation drills	We conduct fire and earthquake evacuation drills at least once a year.	
	Self-defense fire brigade	We have established a self-defense fire brigade, etc., and have a first-response system in place in the event of a disaster.	
	Emergency supplies	Each business site prepares emergency supplies such as emergency food and equipment in preparation for disasters.	
	Safety confirmation	We use an external safety confirmation system to quickly confirm the safety of employees and their families in the event of a disaster. We also conduct safety confirmation drills on a regular basis.	
	Emergency contact network	An emergency contact network has been created for the entire Company and each business site, and is reviewed on a regular basis.	

Social Data

Diverse Human Resources / Development and Participation of Human Resources

Employee Data

■ Average Years of Service, Age, and Annual Compensation

	Reporting boundary	Unit	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Average years of service	Sumitomo Metal Mining Co., Ltd.	year	19.7	19.5	18.9	18.0	17.0
Average age		age	43.0	42.7	42.3	41.5	40.7
Average annual compensation ¹		thousand JPY	8,185	7,952	7,878	8,349	8,235

¹ Average annual compensation includes compensation other than base salary, other allowances, and bonuses

■ Number of Officers and Employees (by country and region)

GRI 2-7/2-9/405-1

	Reporting boundary		Unit	FY 2019	FY2020	FY2021	FY2022	FY2023	✓	
Number of officers and employees ^{1,2}	SMM Group	Total	People	7,570	7,797	7,879	7,950	8,133		
		By country and region	Japan	People	5,905	6,150	6,224	6,085	6,256	
	Male			4,950	5,120	5,198	5,098	5,222		
	Female			955	1,030	1,026	987	1,034		
	Philippines		People	1,429	1,430	1,433	1,504	1,531		
			Male	1,075	1,068	1,071	1,124	1,138		
			Female	354	362	362	380	393		
	Asia & Oceania (excluding the Philippines)		China	People	97	102	108	105	103	
				Male	62	68	76	75	76	
				Female	35	34	32	30	27	
		Taiwan	People	29	27	27	26	19		
			Male	13	12	12	11	8		
			Female	16	15	15	15	11		
		Thailand	People	4	4	4	–	–		
			Male	1	1	1	–	–		
			Female	3	3	3	–	–		

	Reporting boundary			Unit	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	
Number of officers and employees ^{1,2}	SMM Group	By country and region	Asia & Oceania (excluding the Philippines)	South Korea	People	7	4	4	5	4
				Male	2	2	2	2	3	
				Female	5	2	2	3	1	
				Vietnam	People	–	–	–	145	136
				Male	–	–	–	112	107	
				Female	–	–	–	33	29	
			Australia	People	8	7	8	7	8	
			Male	6	5	6	5	6		
			Female	2	2	2	2	2		
			North America & Europe	Canada	People	13	13	13	19	21
				Male	12	11	11	16	17	
				Female	1	2	2	3	4	
				Netherlands	People	1	1	1	1	1
				Male	1	1	1	1	1	
				Female	0	0	0	0	0	
				U.S.A.	People	12	13	14	12	9
				Male	6	6	6	5	4	
				Female	6	7	8	7	5	
	South America	Brazil		People	11	4	1	1	1	
		Male		9	3	0	0	0		
		Female		2	1	1	1	1		
		Chile	People	30	26	26	23	27		
		Male	20	18	18	14	18			
		Female	10	8	8	9	9			
		Peru	People	24	16	16	17	17		
		Male	21	13	13	14	14			
		Female	3	3	3	3	3			

¹ Data are as of the end of the fiscal year in each country (including employees on leave), and dispatched employees are recorded in the number of officers and employees of the company to which they are dispatched

² Officers include directors, Audit & Supervisory Board members, and executive officers (excluding outside directors and Audit & Supervisory Board members) of SMM, and directors and Audit & Supervisory Board members of consolidated subsidiaries in Japan and overseas

Social Data

■ Number of Officers and Employees (by age group and employee category)

GRI 2-7/2-8/2-9/405-1

Reporting boundary			Unit	FY2019	FY2020	FY2021	FY2022	FY2023	✓	
Number of officers and employees ¹	SMM Group	Number of full-time officers ²	Total		people	105	110	109	105	104
			Sumitomo Metal Mining Co., Ltd.	Male	23	25	23	24	25	
				Female	0	0	0	0	1	
			Consolidated subsidiaries in Japan	Male	56	58	61	57	55	
				Female	0	0	0	0	0	
			Consolidated subsidiaries overseas	Male	25	26	24	23	22	
				Female	1	1	1	1	1	
	Number of employees	Total		people	7,465	7,687	7,770	7,845	8,029	
		Sumitomo Metal Mining Co., Ltd.	Total	people	2,679	2,699	2,813	2,993	3,136	
		Management staff		people	491	487	470	479	559	
		Younger than 30 years old			0	0	0	0	0	
			Male		0	0	0	0	0	
				Female		0	0	0	0	0
		30-49 years old			171	170	177	198	262	
			Male		166	164	168	184	247	
				Female		5	6	9	14	15
		50 years old and older			320	317	293	281	297	
			Male		315	312	289	277	291	
				Female		5	5	4	4	6
		Regular employees		people	1,933	1,936	2,072	2,246	2,333	
		Younger than 30 years old			429	490	584	688	771	
			Male		351	388	468	558	628	
				Female		78	102	116	130	143
		30-49 years old			952	908	908	938	911	
			Male		774	733	737	768	739	
				Female		178	175	171	170	172
		50 years old and older			552	538	580	620	651	
			Male		500	477	510	542	563	
	Female				52	61	70	78	88	

Reporting boundary			Unit	FY2019	FY2020	FY2021	FY2022	FY2023	
Number of officers and employees ¹	SMM Group	Number of employees	Limited-term employees	people	255	276	271	268	244
			Male		218	237	235	232	213
			Female		37	39	36	36	31
		Consolidated subsidiaries in Japan	Total	people	3,147	3,368	3,327	3,011	3,039
			Management staff	people	286	278	270	240	234
		Younger than 30 years old			0	0	0	0	0
			Male		0	0	0	0	0
			Female		0	0	0	0	0
		30-49 years old			85	90	92	82	75
			Male		83	88	89	80	73
			Female		2	2	3	2	2
	50 years old and older			201	188	178	158	159	
		Male		201	188	178	157	158	
		Female		0	0	0	1	1	
	Regular employees		people	2,454	2,671	2,659	2,453	2,449	
	Younger than 30 years old			417	442	453	423	409	
		Male		353	377	387	366	351	
		Female		64	65	66	57	58	
	30-49 years old			1,480	1,603	1,583	1,414	1,358	
		Male		1,189	1,273	1,259	1,115	1,069	
		Female		291	330	324	299	289	
	50 years old and older			557	626	623	616	682	
		Male		484	538	527	527	581	
		Female		73	88	96	89	101	
	Limited-term employees		people	407	419	398	318	356	
			Male	237	262	267	211	229	
			Female	170	157	131	107	127	

Social Data

Reporting boundary		Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Number of officers and employees ¹	SMM Group	Number of employees					
	Consolidated subsidiaries overseas	Total	1,639	1,620	1,630	1,841	1,854
	Management staff	people	299	317	321	315	341
	Younger than 30 years old		43	38	31	29	24
	Male		30	28	19	15	10
	Female		13	10	12	14	14
	30-49 years old		228	249	260	253	269
	Male		174	182	192	179	193
	Female		54	67	68	74	76
	50 years old and older		28	30	30	33	48
	Male		23	24	23	26	39
	Female		5	6	7	7	9
	Regular employees	people	1,324	1,288	1,302	1,509	1,502
	Younger than 30 years old		500	429	390	410	398
	Male		324	266	245	265	252
	Female		176	163	145	145	146
	30-49 years old		767	814	851	1,032	1,028
	Male		588	631	655	799	799
	Female		179	183	196	233	229
	50 years old and older		57	45	61	67	76
	Male		48	37	52	57	66
	Female		9	8	9	10	10
	Limited-term employees	people	16	15	7	17	11
	Male		15	13	6	15	11
	Female		1	2	1	2	0
Temporary employees	SMM Group	Total	464	495	538	438	514
	Sumitomo Metal Mining Co., Ltd.		185	163	182	204	232
	Consolidated subsidiaries in Japan		251	331	355	234	280
	Consolidated subsidiaries overseas		28	1	1	0	2

¹ Data are as of the end of the fiscal year in each country (including employees on leave), and dispatched employees are recorded in the number of officers and employees of the company to which they are dispatched

² Officers include directors, Audit & Supervisory Board members, and executive officers (excluding outside directors and Audit & Supervisory Board members) of SMM, and directors and Audit & Supervisory Board members of consolidated subsidiaries in Japan and overseas

■ New Hires and Departures (by hiring type and reason for departure)¹

GRI 401-1

Reporting boundary		Unit	FY2019	FY2020	FY2021	FY2022	FY2023
New hires and departures	Sumitomo Metal Mining Co., Ltd.	New hires					
	Total	people	128	176	223	284	301
	New graduates	Total	48	107	132	128	149
	Managerial track employees		35	32	55	46	60
	Of which are women		4	7	11	6	10
	Core track		13	75	77	82	89
	Of which are women		7	22	21	10	18
	Mid-career hires	Total	80	69	91	156	152
	Managerial track employees		26	19	31	62	55
	Of which are women		5	0	3	4	5
	Core track		54	50	60	94	97
	Of which are women		8	11	3	17	10
	Departures	Number of departures	66	55	50	68	58
	Departed for personal reasons		54	39	41	56	42
	Of which are women		8	10	8	8	9
	Departed for company-related reasons		0	2	0	6	0
	Other ²		12	14	9	6	16

¹ Data are as of the end of each fiscal year (excluding directors, limited-term employees, and temporary employees)

² Other: departures due to having reached mandatory retirement age, death, expiration of leave of absence, etc.

Social Data

■ New Hires and Departures (by region)¹

GRI 401-1

Reporting boundary		Unit	FY2019	FY2020	FY2021	FY2022	FY2023
New hires and departures	Total	people	401 (5.9)	343 (4.9)	394 (5.6)	594 (8.2)	392 (5.3)
	Departures	people (%) ²	179 (2.6)	233 (3.3)	196 (2.8)	326 (4.5)	183 (2.5)
SMM Group	Total	people	251 (4.9)	299 (5.6)	353 (6.5)	431 (8.0)	370 (6.6)
	Departures	people (%)	117 (2.3)	191 (3.6)	161 (2.9)	223 (4.1)	171 (3.1)
Japan	Younger than 30 years old	Male New hires	117 (16.6)	142 (18.6)	196 (22.9)	239 (25.9)	206 (21.0)
		Departures	29 (4.1)	24 (3.1)	41 (4.8)	43 (4.7)	27 (2.8)
	Female	New hires	27 (19.0)	46 (27.5)	42 (23.1)	40 (21.4)	46 (22.9)
		Departures	13 (9.2)	7 (4.2)	7 (3.8)	11 (5.9)	8 (4.0)
	30-49 years old	Male New hires	71 (3.2)	68 (3.0)	87 (3.9)	114 (5.3)	85 (4.0)
		Departures	49 (2.2)	40 (1.8)	37 (1.6)	46 (2.1)	49 (2.3)
	Female	New hires	30 (6.3)	28 (5.5)	11 (2.2)	12 (2.5)	12 (2.5)
		Departures	19 (4.0)	9 (1.8)	10 (2.0)	20 (4.1)	15 (3.1)
50 years old and older	Male	New hires	5 (0.3)	11 (0.7)	15 (1.0)	22 (1.5)	20 (1.3)
		Departures	6 (0.4)	104 (6.9)	62 (4.1)	97 (6.5)	65 (4.1)
	Female	New hires	1 (0.8)	4 (2.6)	2 (1.2)	4 (2.3)	1 (0.5)
		Departures	1 (0.8)	7 (4.5)	4 (2.4)	6 (3.5)	7 (3.6)

Reporting boundary		Unit	FY2019	FY2020	FY2021	FY2022	FY2023
New hires and departures	Total	people	134 (9.5)	44 (3.1)	28 (2.0)	151 (10.2)	21 (1.4)
	Departures	people (%)	57 (4.0)	42 (3.0)	23 (1.6)	86 (5.8)	10 (0.7)
Younger than 30 years old	Male	New hires	76 (22.8)	19 (6.9)	10 (4.2)	62 (26.8)	12 (5.4)
		Departures	30 (9.0)	18 (6.6)	8 (3.3)	16 (6.9)	2 (0.9)
	Female	New hires	27 (15.4)	15 (9.3)	5 (3.4)	38 (24.8)	2 (1.3)
		Departures	4 (2.3)	8 (5.0)	4 (2.7)	17 (11.1)	2 (1.3)
30-49 years old	Male	New hires	22 (3.3)	9 (1.2)	13 (1.7)	44 (5.5)	7 (0.8)
		Departures	19 (2.8)	10 (1.4)	9 (1.2)	40 (5.0)	5 (0.6)
	Female	New hires	5 (2.9)	0 (0.0)	0 (0.0)	3 (1.4)	0 (0.0)
		Departures	3 (1.7)	4 (2.1)	1 (0.5)	9 (4.1)	1 (0.4)
50 years old and older	Male	New hires	4 (8.3)	1 (2.4)	0 (0.0)	4 (6.1)	0 (0.0)
		Departures	1 (2.1)	2 (4.8)	1 (1.8)	4 (6.1)	0 (0.0)
	Female	New hires	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)
		Departures	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)

Social Data

Reporting boundary			Unit	FY2019	FY2020	FY2021	FY2022	FY2023
New hires and departures	SMM Group Asia & Oceania ³ (excluding the Philippines)	Total		3	0	12	12	0
		New hires	people	(2.2)	(0.0)	(8.6)	(4.4)	(0.0)
		Departures	(%)	1	0	11	17	0
				(0.7)	(0.0)	(7.9)	(6.2)	(0.0)
	Younger than 30 years old	Male	New hires	0	–	8	9	–
				(0.0)	–	(44.4)	(19.6)	–
		Departures		0	–	5	8	–
				(0.0)	–	(27.8)	(17.4)	–
		Female	New hires	0	–	0	0	–
				(0.0)	–	(0.0)	(0.0)	–
		Departures		0	–	0	2	–
				(0.0)	–	(0.0)	(40.0)	–
	30-49 years old	Male	New hires	0	–	3	2	–
				(0.0)	–	(5.2)	(1.4)	–
		Departures		1	–	5	6	–
				(2.2)	–	(8.6)	(4.3)	–
		Female	New hires	3	–	1	1	–
				(6.0)	–	(2.1)	(1.4)	–
		Departures		0	–	1	1	–
				(0.0)	–	(2.1)	(1.4)	–
	50 years old and older	Male	New hires	0	–	0	0	–
				(0.0)	–	(0.0)	(0.0)	–
		Departures		0	–	0	0	–
				(0.0)	–	(0.0)	(0.0)	–
		Female	New hires	0	–	0	0	–
				(0.0)	–	(0.0)	(0.0)	–
		Departures		0	–	0	0	–
				(0.0)	–	(0.0)	(0.0)	–

Reporting boundary			Unit	FY2019	FY2020	FY2021	FY2022	FY2023
New hires and departures	SMM Group North America & Europe ⁴	Total		0	0	1	0	1
		New hires	people	(0.0)	(0.0)	(4.2)	(0.0)	(3.4)
		Departures	(%)	0	0	1	0	2
				(0.0)	(0.0)	(4.2)	(0.0)	(6.9)
	Younger than 30 years old	Male	New hires	–	–	0	–	0
				–	–	(0.0)	–	(0.0)
		Departures		–	–	0	–	0
				–	–	(0.0)	–	(0.0)
		Female	New hires	–	–	0	–	0
				–	–	(0.0)	–	(0.0)
		Departures		–	–	0	–	0
				–	–	(0.0)	–	(0.0)
	30-49 years old	Male	New hires	–	–	1	–	0
				–	–	(8.3)	–	(0.0)
		Departures		–	–	0	–	0
				–	–	(0.0)	–	(0.0)
		Female	New hires	–	–	0	–	1
				–	–	(0.0)	–	(25.0)
		Departures		–	–	0	–	1
				–	–	(0.0)	–	(25.0)
	50 years old and older	Male	New hires	–	–	0	–	0
				–	–	(0.0)	–	(0.0)
		Departures		–	–	1	–	0
				–	–	(50.0)	–	(0.0)
		Female	New hires	–	–	0	–	0
				–	–	(0.0)	–	(0.0)
		Departures		–	–	0	–	1
				–	–	(0.0)	–	(100.0)

Social Data

Reporting boundary			Unit	FY2019	FY2020	FY2021	FY2022	FY2023
New hires and departures	SMM Group	South America ⁵	Total	13 (21.7)	0 (0.0)	0 (0.0)	0 (0.0)	0 (0.0)
			New hires	people				
			Departures	(%)				
Younger than 30 years old	Male	New hires	3 (50.0)	–	–	–	–	–
			Departures	0 (0.0)	–	–	–	–
	Female	New hires	1 (20.0)	–	–	–	–	–
			Departures	1 (20.0)	–	–	–	–
	Male	New hires	6 (19.4)	–	–	–	–	–
			Departures	1 (3.2)	–	–	–	–
30-49 years old	Female	New hires	1 (16.7)	–	–	–	–	–
			Departures	1 (16.7)	–	–	–	–
	Male	New hires	2 (25.0)	–	–	–	–	–
			Departures	1 (12.5)	–	–	–	–
	Female	New hires	0 (0.0)	–	–	–	–	–
			Departures	0 (0.0)	–	–	–	–
50 years old and older	Male	New hires	0 (0.0)	–	–	–	–	–
			Departures	0 (0.0)	–	–	–	–
	Female	New hires	0 (0.0)	–	–	–	–	–
			Departures	0 (0.0)	–	–	–	–

¹ Data are based on the number of employees as of the end of the fiscal year in each country (excluding directors, limited-term employees, and temporary employees)

² Percentage of new employees: number of new employees ÷ total employees x 100; turnover: number of departures ÷ total employees x 100

³ Asia & Oceania (excluding the Philippines) includes China, Taiwan, South Korea, Thailand, Vietnam, and Australia (FY2023)

⁴ North America & Europe includes Canada and the U.S. (FY2023)

⁵ South America includes Peru, Chile, and Brazil (FY2023)

Development of Human Resources

■ Time Spent on and Investment in Employee Education

GRI 404–1

Reporting boundary			Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Total time spent on employee education ¹	Sumitomo Metal Mining Co., Ltd.	Total	hours	99,740	119,221	188,913	131,106	149,130
		Officers	hours	638	281	324	368	259
		Male		638	281	324	368	220
		Female		0	0	0	0	39
		Managers	hours	16,144	19,653	17,257	16,375	13,551
		Male		15,876	19,268	17,038	15,883	13,035
		Female		268	385	219	491	516
		Regular employees	hours	80,395	93,165	153,038	109,723	131,094
		Male		71,003	81,119	135,008	95,756	116,443
		Female		9,391	12,046	18,030	13,967	14,651
		Limited-term employees and temporary employees	hours	2,563	6,122	18,294	4,640	4,225
		Male		2,188	5,013	13,439	3,555	3,062
		Female		375	1,109	4,855	1,086	1,163
	Consolidated subsidiaries in Japan	Total	hours	20,374	23,769	43,769	33,021	28,230
		Officers	hours	358	342	402	481	518
		Male		358	342	402	481	518
		Female		0	0	0	0	0
		Managers	hours	1,889	1,838	3,219	2,245	2,785
		Male		1,886	1,812	3,153	2,177	2,722
		Female		3	25	66	68	64
		Regular employees	hours	15,269	18,721	34,115	26,363	20,942
		Male		13,301	15,766	31,087	23,011	17,420
		Female		1,968	2,955	3,028	3,353	3,522
		Limited-term employees and temporary employees	hours	2,859	2,868	6,034	3,932	3,985
		Male		1,747	1,600	4,323	2,434	2,685
		Female		1,112	1,268	1,711	1,499	1,301

Social Data

	Reporting boundary		Unit	FY2019	FY2020	FY2021	FY2022	FY2023		
Total time spent on employee education ¹	Consolidated subsidiaries overseas	Total	hours	30,174	29,545	18,323	27,616	36,482		
		Officers	hours	144	223	275	312	729		
			Male	133	215	264	300	649		
			Female	11	8	11	12	80		
		Managers	hours	1,284	1,223	897	1,330	8,497		
			Male	913	643	562	837	5,503		
			Female	371	581	335	493	2,994		
		Regular employees	hours	28,605	20,795	17,080	25,684	27,174		
			Male	22,573	15,676	12,985	18,252	20,065		
			Female	6,032	5,120	4,095	7,432	7,109		
		Limited-term employees and temporary employees	hours	141	7,304	70	290	83		
			Male	80	5,762	47	182	55		
			Female	61	1,542	23	109	28		
Average annual hours of education per employee ³	SMM Group	Total	hours	18.7	20.8	29.8	22.9	24.7		
		Officers	hours	10.9	7.7	9.2	11.1	14.5		
			Male	10.9	7.7	9.2	11.0	13.6		
			Female	10.5	8.0	11.0	12.0	59.1		
		Managers	hours	18.0	21.0	20.1	19.3	21.9		
			Male	18.8	22.0	21.7	20.6	21.0		
			Female	7.6	10.3	6.0	9.1	29.1		
		Regular employees	hours	21.8	22.5	33.9	26.1	28.5		
			Male	23.2	23.8	37.0	27.4	30.5		
			Female	15.8	17.1	21.1	20.4	20.5		
		Limited-term employees and temporary employees	hours	4.9	13.5	20.1	8.5	7.4		
		Amount of investment in education per employee ⁴	Sumitomo Metal Mining Co., Ltd.		JPY	132,000	90,000	98,000	107,000	145,000

Figures are rounded to the nearest whole number, so totals may not match.

1 Data are as of the end of the fiscal year in each country. Education hours cover all training except for routine on-the-job training (so-called OJT) conducted in the workplace by instructors and other personnel, emergency drills, and small-group activities

2 In addition to the total time spent on education, employees spent the following number of hours on e-learning courses: 9,105 hours for SMM, and 1,951 hours for consolidated subsidiaries in Japan and overseas

3 Average annual hours of education per employee: Total hours of education for all employees ÷ number of officers and employees

4 Amount of investment in education does not include labor costs for on-the-job training and education and training hours. (rounded up to the nearest JPY1,000)

Utilization of Human Resources

■ Working Style Reform

Reporting boundary		Unit	FY2019	FY2020	FY2021	FY2022	FY2023	
Working hours	Average annual working hours ^{1,2}	Total	hours	1,976.1	1,984.5	1,959.0	1,933.3	1,945.2
		Managers		2,015.7	2,024.7	2,021.7	1,994.6	2,009.3
		Regular employees		1,964.3	1,972.6	1,941.0	1,913.4	1,926.4
		Average monthly overtime hours worked		17.9	17.9	16.1	16.6	16.3
	Sumitomo Metal Mining Co., Ltd.	Average annual scheduled working hours		1,940 or 1,920	1,920	1,920	1,920.0	
Annual paid leave	Average annual number of days of paid leave taken	days	18.3	17.4	17.4	18.2	17.5	
	Percentage of average annual paid leave taken ³	%	86.0	83.2	83.2	87.6	85.2	
Number of enrolled employees ⁴		people	2,453	2,551	2,666	2,801	2,956	
Volunteer leave ⁵	SMM Group	Average number of days of leave taken	days	1.9	1.0	–	2.0	1.0
		Total number of employees who took leave	people	8	1	0	1	1

1 Average annual working hours = scheduled working hours (excluding leave, paid leave, etc.) + overtime hours

2 The working style reform started in FY2017. In FY2016, there were 1,987.4 hours (managers: 2,076.1 hours, regular employees: 1,960.7 hours) In FY2017, there were 1,967.3 hours (managers: 2,043.9 hours, regular employees: 1,943.9 hours)

3 Percentage of paid leave taken by employees for the full year (excluding limited-term employees who are specially hired employees)

4 Average of years (excluding limited-term employees who are specially hired employees) FY2016: 2,274 employees; FY2017: 2,317 employees

5 Data cover the period from January to December of each year

Social Data

■ Creating Workplaces Where Diverse Human Resources Play Vibrant and Active Roles

GRI 401-3

Reporting boundary			Unit		FY2019	FY2020	FY2021	FY2022	FY2023
Parental leave	Sumitomo Metal Mining Co., Ltd.	Use of parental leave ¹	Total	%	17.3	26.9	30.0	97.2	101.0
			Male		2.9	10.3	20.9	95.6	100.0
			Female		100.0	113.3	85.7	106.3	110.0
		Use of leave with pay for child-rearing ²	Male	%	87.0	88.5	81.4	–	–
			Total	people	14	25	30	104	102
			Male		2	8	18	87	91
		Number of employees who took parental leave ³	Female		12	17	12	17	11
			Total	people	81	93	100	107	101
			Male		69	78	86	91	91
		Number of employees eligible for parental leave ⁴	Female		12	15	14	16	10
			Male	%	100.0 (1/1)	100.0 (5/5)	100.0 (15/15)	100.0 (37/37)	100.0 (58/58)
			Female	(people)	100.0 (8/8)	94.1 (16/17)	100.0 (16/16)	100.0 (11/11)	100.0 (15/15)
Retention rate after leave ⁶		Male	%	–	100.0 (1/1)	100.0 (6/6)	100.0 (17/17)	91.9 (34/37)	
		Female	(people)	100.0 (14/14)	100.0 (12/12)	100.0 (16/16)	100.0 (15/15)	100.0 (11/11)	

The percentage of parental leave taken may exceed 100% because those who took parental leave in the reporting year include those who gave birth in the previous year.

1 Until FY2021 the percentage is only for those who took parental leave, but from FY2022 onward, the percentage (male) is for both those who have taken parental leave and those who have taken leave for child-rearing

2 Childbirth and child-rearing support leave: male employees can take leave to care for and support their spouse after the birth of a child. Seven consecutive days can be taken from the day of hospital admission, delivery, or discharge (up to nine days)

3 Male employees: number of employees who took parental leave (starting) in FY2023

Female employees: number of employees who took parental leave (starting) in FY2023

4 Male employees: number of employees who submitted a notification of birth to the Company for birth by their spouse in FY2023

Female employees: number of employees who gave birth in FY2023

5 Return-to-work rate: number of employees who returned to work in FY2023 ÷ number of employees who intended to return to work in FY2023 x 100

6 Retention rate: number of employees who returned to work in FY2022 and were still working at the Company 12 months later ÷ number of employees who returned to work in FY2022 x 100

Reporting boundary			Unit	FY2019	FY2020	FY2021	FY2022	FY2023	
Nursing care leave	Sumitomo Metal Mining Co., Ltd.	Number of employees who took nursing care leave	Total	people	2	2	2	2	1
			Male		0	1	2	2	1
			Female		2	1	0	0	0
		Number of employees who took nursing care leave	Total	days	127	259	24	140	155
			Male		0	173	24	140	155
			Female		127	86	0	0	0
		Average number of days per person	Total	days	63.5	129.5	12.0	70.0	155.0
			Male		0.0	173.0	12.0	70.0	155.0
			Female		63.5	86.0	0.0	0.0	0.0
Nursing care short-term leave	Sumitomo Metal Mining Co., Ltd.	Number of employees who took nursing care leave	Total	people	40	58	70	67	67
			Male		27	43	57	52	49
			Female		13	15	13	15	18
		Total number of days of leave taken	Total	days	173.0	228.0	288.2	303.5	305.9
			Male		110.0	169.9	225.9	239.5	230.3
			Female		63.0	58.1	62.3	64.0	75.6
		Average number of days per person	Total	days	4.3	3.9	4.1	4.5	4.6
			Male		4.1	4.0	4.0	4.6	4.7
			Female		4.8	3.9	4.8	4.3	4.2

Social Data

Diversity, Equity & Inclusion

■ Gender Balance (women's active engagement)

GRI 405-1/405-2

Reporting boundary					Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Female officers and employees¹	Percent-age of employees	Sumitomo Metal Mining Co., Ltd.	Officers		%	3.4	3.4	3.6	3.4	6.7
			Managers	(Managerial track employees)		1.5	1.5	2.0	2.9	3.2
			Regular employees	Managerial track & professional		11.7	12.5	12.9	12.3	14.3
				Core track		16.2	17.2	17.0	16.9	16.8
				Limited-term employees		12.1	12.1	11.1	11.4	10.8
Number of female employees	Sumitomo Metal Mining Co., Ltd.	Officers		people	1	1	1	1	2	
		Managers	(Managerial track employees)		11	11	14	20	26	
		Regular employees	Managerial track & professional		50	52	57	59	61	
			Core track		267	295	309	329	350	
			Limited-term employees		37	40	37	37	32	
Percent-age of female recruits	Sumitomo Metal Mining Co., Ltd.	Managerial track & pro-fessional	New graduates	%	16.7	20.0	20.9	16.3	15.9	
			Mid-career hires		16.2	5.0	11.4	6.3	7.9	
		Core track	New graduates		29.2	29.3	27.6	14.5	20.0	
			Mid-career hires		13.7	20.3	5.9	17.4	12.5	

¹ The number and percentage of female employees are calculated with dispatched employees counted under the company from which they were dispatched

Reporting boundary		Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Ratios of female-to-male base salary	Sumitomo Metal Mining Co., Ltd.	Employees ¹	–	–	–	100:165	100:169
		Managers	–	–	–	100:112	100:123
		Regular employees	–	–	–	100:132	100:118
		Limited-term employees ²	–	–	–	100:333	100:313
Ratios of female-to-male total compensation (annual compensation) ³	Sumitomo Metal Mining Co., Ltd.	Employees	–	–	–	100:149	100:153 ⁴
		Managers	–	–	–	100:111	100:129
		Regular employees	–	–	–	100:115	100:130
		Limited-term employees	–	–	–	100:279	100:248 ⁵

¹ Non-limited-term employees (including employees with short working hours and dispatched employees in Japan, but not including employees dispatched overseas)

² Limited-term employees (including employees dispatched in Japan, but not including employees dispatched overseas)

³ Includes base salary, overtime pay, allowances for housing, family, commuting, etc., and excludes payments to employees who resigned

⁴ The main reasons for the compensation difference are that the average length of continuous service for women is 13.0 years (about 7 years shorter than the 20.0 years for men) and the percentage of women in management positions is 3.2%

⁵ The main reason for the compensation difference is that the average years of continuous service for women is 11.7 years, which is 21.8 years less than that of men. (33.5 years)

Social Data

■ Standard Entry–Level Salary to Regional Minimum Wage

GRI 202–1

Reporting boundary		Unit	April 2020	April 2021	April 2022	April 2023	April 2024
Starting salary	Sumitomo Metal Mining Co., Ltd.	Male:female base salary ratio	100:100	100:100	100:100	100:100	100:100
	High School graduate	Monthly salary	JPY 171,128	173,628	173,628	176,628	186,628
		Comparison with minimum wage	% 134	137	132	129	130
	College of technology graduate	Monthly salary	JPY 194,658	197,158	197,158	200,158	210,158
		Comparison with minimum wage	% 152	155	150	147	146
	University graduate	Monthly salary	JPY 227,350	229,950	229,950	232,950	243,000
		Comparison with minimum wage	% 139	142	138	136	136
	Master's degree	Monthly salary	JPY 241,790	244,390	244,390	250,390	260,400
		Comparison with minimum wage	% 148	151	147	146	146
	Doctorate degree	Monthly salary	JPY 272,341	273,541	273,541	281,541	291,600
		Comparison with minimum wage	% 166	169	164	164	164

In the comparison of standard entry–level salary to regional minimum wage, Ehime Prefecture is used for the regional minimum wage for high school and technical college graduates, and Tokyo Metropolitan minimum wage is used for university graduates and above
Monthly wages and minimum wage data are as of April 1 of each fiscal year

■ Promoting Employment of People with Disabilities

GRI 405–1

Reporting boundary		Unit	June 2019	June 2020	June 2021	June 2022	June 2023
Employment of people with disabilities ¹	Sumitomo Metal Mining Co., Ltd.	Number of employees with disabilities ²	people 68	73	77	79	84
		Employment rate of employees with disabilities	% 2.39	2.50	2.56	2.57	2.59
		Statutory employment rate	% 2.20	2.20	2.30	2.30	2.30

1 Data as of June 1 of each fiscal year

2 The number of employees with disabilities is counted by the method of counting in the statutory employment rate calculation method

Maintaining and Improving Employees' Health

■ Addressing Mental Health Care

GRI 403–6

Reporting boundary		Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Long-term leave	Sumitomo Metal Mining Co., Ltd.	Percentage of employees taking long-term leave (due to mental health disorders) ¹	0.45	0.40	0.37	0.43	0.41
Stress checks		Percentage of employees receiving stress checks	% 96.1	94.7	95.4	96.8	94.6
		Percentage of employees with high stress	11.0	8.7	9.8	10.1	8.6
		Percentage of employees with high stress, average for all Group companies	12.0	11.3	11.8	12.7	–

1 Percentage of employees taking leave: Total number of days of leave taken ÷ number of scheduled working days x number of employees at end of fiscal year x 100

■ Illness Prevention and Health Promotion Initiatives

GRI 403–6

	Reporting boundary		Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Various health checkups	Sumitomo Metal Mining Health Insurance Association	Percentage of employees with abnormal findings ¹	%	56.9	58.9	58.0	58.0	53.6
		Percentage of employees receiving complete medical checkups ²		28.0	24.4	27.3	27.5	28.7
	Sumitomo Metal Mining Co., Ltd.	Obesity rate ¹	Male	37.2	38.7	39.2	38.0	37.7
				Female	22.3	23.6	22.1	23.4
		Smoking rate ³		26.9	25.3	24.8	23.9	24.1

1 Employees insured by the Sumitomo Metal Mining Health Insurance Association

2 Employees insured by the Sumitomo Metal Mining Health Insurance Association who are 18 years old or older

3 Employees of Sumitomo Metal Mining Co., Ltd., age 40 or older (results of specified health checkup interview)

Social Data

■ Labor–Management Relations (freedom of association and collective bargaining)

GRI 2–30

Reporting boundary		Unit	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	
Labor union members ¹	SMM Group ²	Total	people	4,346	4,469	4,582	4,722	4,819
		Japan		3,538	3,634	3,712	3,727	3,771
		Overseas		808	835	870	995	1,048
Labor union membership	SMM Group ²	Total	%	57.5	57.7	58.2	58.8	60.0
		Japan		58.7	59.5	59.4	60.2	61.1
		Overseas		52.8	51.0	53.7	54.3	56.5

1 Labor union members are employees covered by collective agreements. (as of March 31 of each fiscal year)

2 Consolidated subsidiaries of the SMM Group

Co–Existence and Mutual Prosperity with Local Communities

■ Investment in Infrastructure and Support Services (cost of social contribution activities)

GRI 203–1

Reporting boundary		Unit	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Japan	SMM Group	JPY	0.1	0.43	0.09	0.25	0.26
Philippines		billion	1.02	1.03	1.25	1.62	1.97

■ Closure Plans for Mines, Smelters and Refineries

G4–MM10

Business site	Details	Amount	Time period
Hishikari Mine	Mine pollution control reserve	39.5 million JPY	From 1984
CBNC	Closure and cleanup for the refinery and mineral processing plant	Total approx. 330 million pesos ¹	From 2012 (accumulating every year)
THPAL	Expenses required for the closure plan	Total approx. 286 million pesos	From 2016 (accumulating every year)

1 Expenses according to the closure plan CBNC submitted to the Department of Environmental and Natural Resources

■ Percentage of Procurement¹ from Local Suppliers² and Percentage of Employees Hired Locally³

GRI 204–1

Re-reporting boundary	Unit	FY2019		FY2020		FY2021		FY2022		FY2023	
		Local procurement	Percentage of local-ly-hired employees	Local procurement	Percentage of local-ly-hired employees	Local procurement	Percentage of local-ly-hired employees	Local procurement	Percentage of local-ly-hired employees	Local procurement ¹	Percentage of local-ly-hired employees ¹
Niihama District (Ehime, Japan) ^{4,5}		18,300 (52)	82%	12,900 (54)	84%	15,000 (53)	83%	20,924 (58)	82%	20,800 (37)	82%
Hishikari Mine (Kagoshima, Japan)		1,230 (49)	89%	2,220 (53)	89%	1,173 (47)	88%	3,587 (40)	88%	4,811 (30)	86%
Sumiko Energy Materials Co., Ltd. (Fukushima, Japan)	JPY million (%)	486 (35)	86%	383 (36)	91%	418 (33)	95%	506 (32)	95%	519 (37)	84%
THPAL (Philippines)	USD thousands (%)	109,000 (44)	42%	94,000 (45)	42%	104,000 (44)	43%	136,000 (40)	42%	152,000 (40)	42%
CBNC (Philippines)		69,000 (49)	59%	69,000 (54)	59%	78,000 (51)	59%	92,000 (38)	59%	91,000 (45)	61%
Shanghai Sum-iko Electronic Paste Co., Ltd. (China)	CNY million (%)	106 (28)	93%	197 (30)	91%	202 (21)	95%	92 (22)	91%	147 (50)	93%

1 Local procurement: Amount paid to each area and percentage of payments (percentage of payments: amount of payments to payment area ÷ amount of total procurement payments x 100)

2 Targets the three core segments (Mineral Resources, Smelting & Refining, and Materials), business sites that are not only necessary for the business, but are also relatively large-scale (one domestic, one overseas site for each segment)

3 Percentage of locally-hired employees: number of employees from each of the above business sites at the end of each fiscal year ÷ total number of employees x 100

4 Reporting boundary for local procurement: Sumitomo Metal Mining Co., Ltd.'s Besshi-Niihama District Division, Toyo Smelter & Refinery, Niihama Nickel Refinery, Isoura Plant, Niihama Research Laboratories

5 Reporting boundary for percentage of locally-hired employees: Sumitomo Metal Mining Co., Ltd.'s Besshi-Niihama District Division, Toyo Smelter & Refinery, Niihama Nickel Refinery, Isoura Plant, Niihama Research Laboratories and Battery Research Laboratories

Social Data

■ Percentage of Locally-Hired Senior Managers^{1,2}

GRI 202-2

	Reporting boundary	Unit	FY2019		FY2020		FY2021		FY2022		FY2023	
			Number of managers	Percentage	Number of managers	Percentage	Number of managers	Percentage	Number of managers	Percentage	Number of managers	Percentage
Sumitomo Metal Mining Philippine Holdings Corporation (Philippines)	SMM Group	people/%	3(1)	4.1%	2(1)	2.6%	3(2)	3.8%	4(3)	5.0%	5(3)	6.1%
Taganito HPAL Nickel Corporation (Philippines)			2(1)	0.3%	2(1)	0.3%	2(1)	0.3%	3(2)	0.4%	5(3)	0.7%
Coral Bay Nickel Corporation (Philippines)			4(0)	0.7%	5(1)	0.8%	6(1)	1.1%	7(1)	1.1%	7(1)	1.1%
Sumitomo Metal Mining Peru S.A. (Peru)			2(0)	8.7%	0(0)	0.0%	1(0)	6.7%	1(0)	6.3%	1(0)	6.3%
SMM Korea Co., Ltd. (South Korea)			1(0)	14.3%	1(0)	25.0%	1(0)	25.0%	1(0)	20.0%	1(0)	33.3%
Shanghai Sumiko Electronic Paste Co., Ltd. (China)			2(0)	5.4%	2(0)	4.8%	2(0)	4.9%	3(1)	7.1%	2(0)	5.3%
Taiwan Sumiko Materials Co., Ltd. (Taiwan)			4(2)	15.4%	1(0)	0.4%	0(0)	0.0%	0(0)	0.0%	0(0)	0.0%
Dongguan Sumiko Electronic Paste Co., Ltd. (China)			2(1)	13.3%	2(1)	11.1%	3(1)	12.5%	3(1)	12.0%	3(1)	12.0%
Sumitomo Metal Mining Oceania Pty. Ltd. (Australia)			1(1)	25.0%	2(1)	50.0%	2(1)	50.0%	2(1)	50.0%	2(1)	40.0%
Sumitomo Metal Mining America Inc. (U.S.A.)			—	—	—	—	—	—	—	—	1(1)	14.3%

1 The number of senior managers includes general managers or above of overseas subsidiaries (as of the end of each fiscal year). Figures in parentheses indicate the number of female managers

2 Percentage of senior managers: number of senior managers ÷ locally-hired employees × 100

(Number of locally-hired employees is the number of employees directly employed by overseas subsidiaries, excluding dispatched employees and transferees)

Human Rights in the Supply Chain

	Reporting boundary	Unit	2019	2020	2021	2022	2023
Number of responses to responsible mineral sourcing questionnaire ¹	SMM Group	cases	—	199	270	330	321

1 Number of responses out of the Responsible Mineral Sourcing questionnaire forms from customers, mainly smelter and refinery specific survey forms developed by RMI

Economic Performance

GRI 201-1/201-3/201-4/207-4

Distribution of economic value to stakeholders <input checked="" type="checkbox"/>	Reporting boundary		Unit	2023
	SMM Group	Total	JPY million	1,668,514
		Suppliers	Payments to suppliers	1,497,637
		Employees	Payments to employees	79,946
		Shareholders and Creditors	Payments of dividends and interest	58,015
		Government	Taxes paid	30,679
		Society ¹	Donations	2,237

Other than the above, there is retained value of JPY29,598 million. Rent for land use is included in "Payments to suppliers" because the amount is small.

1 Society: Includes JPY1,972 million spent through the Social Development and Management Program (SDMP) in the Philippines (Coral Bay Nickel, Taganito HPAL) and other donations in the country

Reporting boundary				Unit	2023
Financial assistance from the government	SMM Group	Government	Subsidies, grants, etc.	JPY million	240

In addition to the above, the Company's shareholding structure includes the Royal Norwegian Government, which holds 1.21% of the total number of shares issued (excluding treasury stocks).

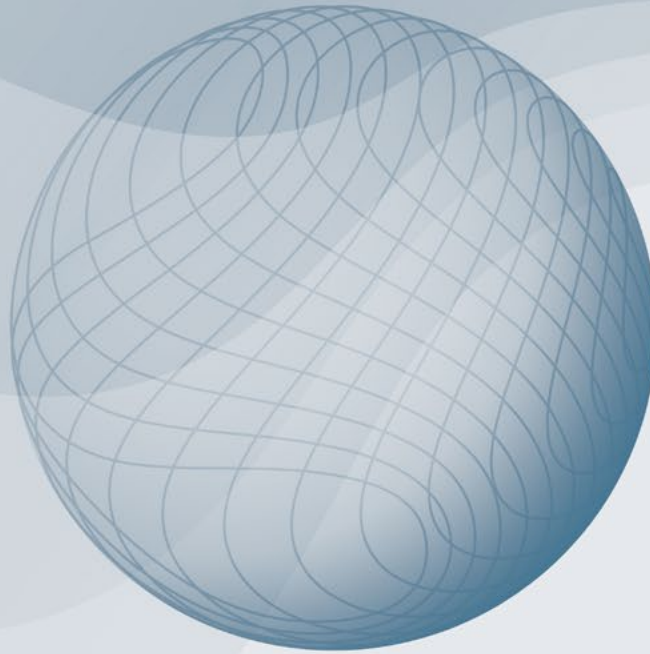
Projected benefit obligation

The SMM Group has both funded and unfunded defined benefit plans and defined contribution plans for allocating retirement benefits to its employees

Its defined benefit obligations as of March 31, 2024 were JPY63,524 million, which include funded defined benefit obligations of JPY60,331 million ☒, and pension asset available for allocation to those funded defined benefit obligations were JPY103,189 million ☒

Income tax by country or region	Reporting boundary		Unit	FY2023
	SMM Group	Total	JPY million	58,221
		Japan		18,828
		Australia		401
		Chile		11,076
		China		1,555
		Netherlands		908
		New Caledonia		954
		Peru		17,205
		Philippines		3,642
		U.S.A.		3,635
		other		17

With regard to equity-method affiliates, the above amounts include the Company's proportional burden of income tax



Governance

- 113 **Corporate Governance**
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- 133 **Quality Assurance**
- 137 **Information Security**

Corporate Governance

Basic Approach and Structure

SMM views corporate governance as a disciplinary framework both for maximizing the corporate value of the SMM Group and for ensuring sound management practices. As such, it is one of the most important management issues.

SMM has established the SMM Group Corporate Philosophy based on the Sumitomo Business Spirit. Through striving to enhance our corporate governance, we will conduct efficient and sound business activities, make positive contributions to society, and fulfill our responsibilities to our shareholders and all other stakeholders in order to realize the SMM Group Corporate Philosophy.

Formulating Corporate Governance Guidelines

SMM has established Corporate Governance Guidelines which cover our basic philosophy on corporate governance and our corporate governance framework, including our relationship with stakeholders. More details are available on the Company's website.

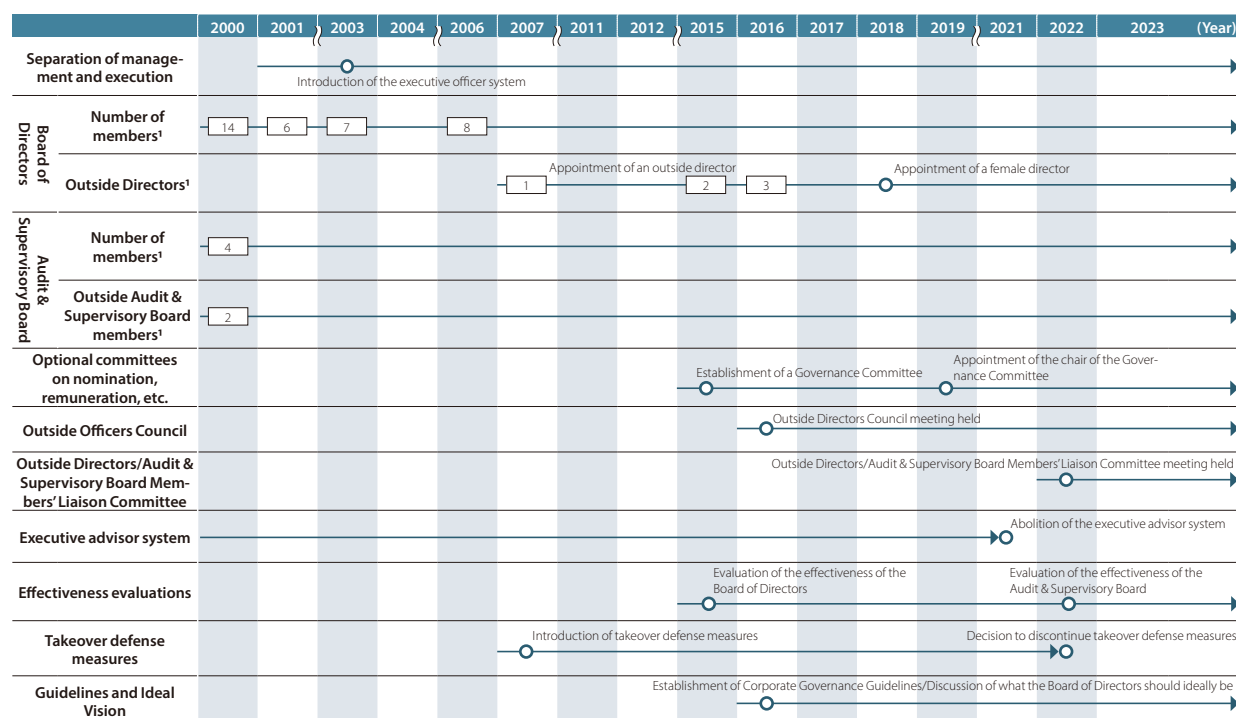
Overview of Corporate Governance Framework (As of June 26, 2024)

Institutional design	Company with an Audit & Supervisory Board
Number of Directors/Term of office	8/1 year
Number of directors who are independent outside directors	3
Chairman of the Board of Directors	Akira Nozaki
Engagement by outside directors in the selection of director candidates	Yes
Engagement by outside directors in the determination of remuneration	Yes
Independent Public Accountant	KPMG AZSA LLC

Initiatives to Strengthen Governance

SMM positions corporate governance as one of the most important issues in our management, and is taking steps to strengthen governance. We continue to constantly review, improve, and deepen the current state of our corporate governance in light of legal revisions and social circumstances in order to achieve even better corporate governance. Measures to reinforce the Company's governance include the appointment of outside directors since 2007, the establishment of the Governance Committee, which is an optional body, implementation of evaluations of the effectiveness of the Board of Directors, and various other improvements.

Transitions in Governance at SMM



¹ The Number of members is after the General Meeting of Shareholders

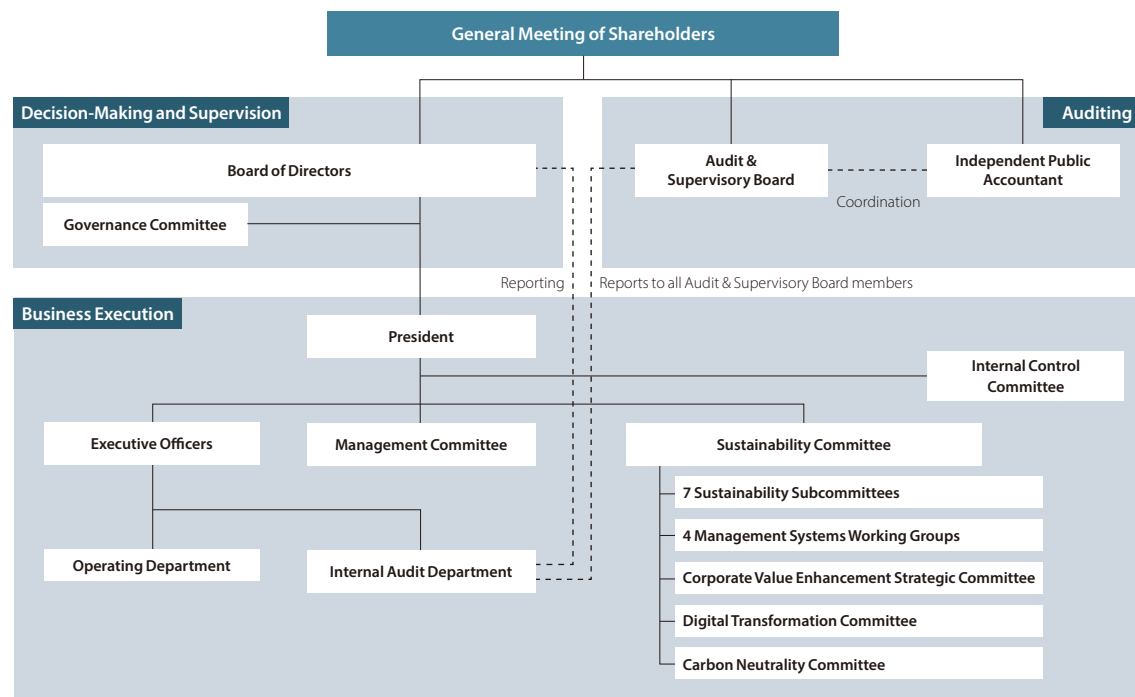
Corporate Governance

Corporate Governance Framework

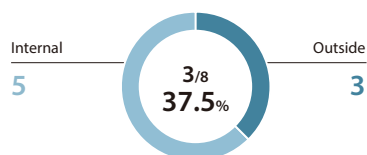
GRI 2-9

In line with its Corporate Governance Guidelines, which summarize the Company's basic philosophy for corporate governance and the framework therefore, the Company believes that its governance is a system that ensures that the execution of management and the associated monitoring and supervision are each functioning fully by using audit and supervisory board and executive officer systems with which to conduct governance through a three-part organizational structure in which decision-making and supervision are addressed by the Board of Directors, business execution by the president and the executive officers, and auditing by the Audit & Supervisory Board members and the independent public accountant.

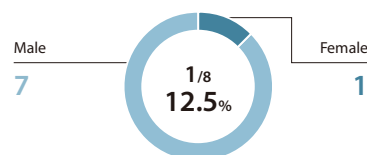
Corporate Governance Framework



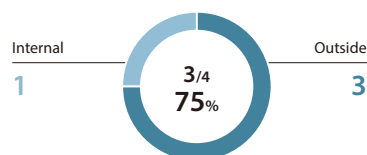
Percentage of Outside Directors on the Board of Directors



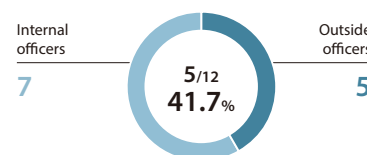
Percentage of Female Directors



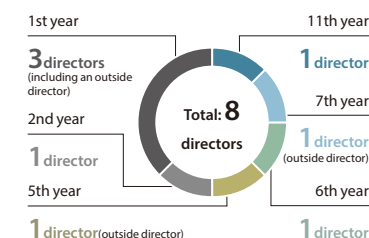
Percentage of Outside Directors in the Governance Committee



Percentage of Outside Officers (Directors and Audit & Supervisory Board Members)



Breakdown of Years in Office of Directors



(As of June 26, 2024)

Corporate Governance

What the Board of Directors Should Ideally Be

Positioning Mineral Resources, Smelting & Refining, and Materials as its three core businesses, SMM aims to realize its Long-Term Vision of becoming a “World Leader in the Non-Ferrous Metals Industry.” Since all three businesses are related to non-ferrous metals, they have a mutual organic relationship and their business contents and scale are such that the Board of Directors can make decisions itself regarding diverse management issues. Furthermore, from the viewpoint of the stronger coordination currently being promoted among the three businesses, it will further stimulate the Company’s growth if the Board of Directors itself comprehensively makes decisions rather than giving strong independence to each business segment and permitting them to make their own decisions. To this end, we consider that in principle a management model is appropriate for the Company’s governance, rather than a monitoring model that oversees overall business execution after the fact.

Furthermore, in view of the distinctive characteristics of the SMM Group’s business operations, it is important to strengthen the management infrastructure (particularly regarding compliance, safety, and the environment) and therefore necessary to establish a system whereby Audit & Supervisory Board members can point out issues to directors and executive officers without hesitation. From this viewpoint, we have adopted an organizational structure of a company with an Audit & Supervisory Board in which Audit & Supervisory Board members with guaranteed independent authority system¹ can be expected to exercise their auditing functions stably over a period of four years. At present, Audit & Supervisory Board members do not have the right of convocation regarding decisions of the Board of Directors or the right to vote on the Board of Directors. The resulting inability of Audit & Supervisory Board members to propose the removal of a director to the Board of Directors is an issue for companies with an Audit & Supervisory Board. We are striving to overcome this issue by appointing multiple outside directors (at least one-third of members), have them become members of the Governance Committee, and deal with the appointment and dismissal of directors and executive officers in the Governance Committee.

¹ Independent authority system: Audit & Supervisory Board Members can independently exercise their authority including investigative authority, injunctive authority, and so on

Decision-Making and Supervisory System

GRI 2-9/2-11/2-12/2-13/2-15/2-16

Directors and the Board of Directors (As of June 26, 2024)

 8 directors (3 outside directors)	Chairman: Akira Nozaki (Chairman of the Board who is not an executive officer) Term of office: 1 year Meetings held in FY2023: 16
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The Board of Directors has a diverse composition by including both members from within the Company who are thoroughly familiar with each area of the Company’s business as well as outside experts with knowledge, experience, ability, insight and other attributes different from that of the members from within the Company and who can supervise management on behalf of shareholders and other stakeholders.

Furthermore, striving for greater managerial transparency, the Company has a policy of appointing at least one-third of its directors as independent outside directors, and of the eight directors, three, including one with management experience, have been appointed as independent outside directors.

Among the Company’s directors, there are four directors who are also executive officers. Conflicts of interest are addressed in accordance with Japanese law. There are no controlling shareholders.

Main Agenda Items at Board Meetings

- Matters relating to existing and new projects in each business (resolution)
- Borrowings and other financing (resolution)
- Establishment or revision of important rules and regulations, including water policy (resolution)
- Cross-shareholdings (reporting)
- Dialogue with institutional investors (reporting)
- Planning and results of auditing by Audit & Supervisory Board members and internal auditing (reporting)
- Personnel system-related matters, etc. (reporting)
- Sustainability issues (resolution)
- Responses for achieving management with an awareness of capital costs and stock prices (resolution)

Other reports on the progress of sustainability activities are made at least twice a year, and opinions on sustainability are exchanged once a year. In FY2023, the exchange of opinions was held on the details of progress and issues to be addressed in the future in light of changes in the external environment. In addition, the status of use of the Whistle-blowing System (Speak Up System) and

Corporate Governance


the status of responses are regularly reported. Also, complaints received by the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), a contact point for receiving complaints from suppliers and other external parties, are also subject to reporting as a grievance (remedy) mechanism.

While any matters of critical concern that arise are required to be reported to the Board of Directors, there were no matters of critical concern reported in FY2023.

In stakeholder engagement conducted by the Board of Directors, authority is delegated to business divisions for customers and suppliers, to the Human Resources Department for employees, and to the Public Relations & Investor Relations Department for shareholders and investors.

The status of dialogue with investors is reported from the Public Relations & Investor Relations Department once a year.


Governance Committee (As of June 26, 2024)

 <p>4 Governance Committee members (3 outside directors)</p>	<p>Chair: Taeko Ishii (outside director) Meetings held in FY2023: 6 (3 nomination meetings, 1 remuneration meeting, 1 general governance meeting)</p>
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The Governance Committee is composed of one member who is the chairman of the Board of Directors, who is not an executive officer, and three independent outside directors. It was established to provide the president with advice from an objective standpoint with regard to particularly important matters relating to corporate governance, including the nomination and remuneration of directors, executive officers, and others.

Auditing System

Audit & Supervisory Board (As of June 26, 2024)

 <p>4 Audit & Supervisory Board members (2 outside Audit & Supervisory Board members)</p>	<p>Chairman: Koji Imai (Standing Audit & Supervisory Board member) Meetings held in FY2023: 15</p>
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The Audit & Supervisory Board has four members (two standing Audit & Supervisory Board mem-

bers and two outside Audit & Supervisory Board members). Standing Audit & Supervisory Board members belonging to the Company gather in-house information in an accurate and timely manner, and audit operations appropriately based on this information, while independent outside Audit & Supervisory Board members conduct audits in a manner that takes advantage of knowledge of their respective specialist fields and diverse perspectives.

In order to ensure managerial soundness and increase the corporate value of the Company, and in accordance with the audit policies, audit plans, and other such matters prescribed by the Audit & Supervisory Board, each Audit & Supervisory Board member attends meetings of the Board of Directors and other important meetings, receive reports from directors, executive officers, and employees regarding the status of the performance of their duties, and, through on-site inspection activities at domestic and overseas business sites, confirm the status of business execution, inherent issues, and the establishment and operation of internal control systems. In addition, information collected by the standing Audit & Supervisory Board members through inspection of important approval and other such documents and reports from related departments is shared with the outside Audit & Supervisory Board members and discussed among all Audit & Supervisory Board members.

Main Agenda Items at Audit & Supervisory Board Meetings

- Audit plan of the Audit & Supervisory Board members (monthly and annually)
- Results of the audit of the Audit & Supervisory Board members (monthly and annually)
- Confirmation of each agenda item of the Board of Directors meeting
- Information on the business environment
- Audit report of the Audit & Supervisory Board
- Results of the evaluation of the effectiveness of the Audit & Supervisory Board

Outside Officers Council

The Outside Officers Council has been meeting since August 2016 as an informal gathering attended only by outside officers (outside directors and outside Audit & Supervisory Board members) to provide opportunities for exchanging opinions and sharing information. In FY2023, meetings were held in August and March, and opinions were exchanged on a wide range of topics including trends in corporate governance and improving the effectiveness of the Board of Directors.

Corporate Governance

Procedures in the Nomination of Director Candidates, Appointment or Dismissal of Senior Management, and Nomination of Audit & Supervisory Board Member Candidates

GRI 2-10

In nominating candidates for the Board of Directors, the president comprehensively considers the knowledge, experience, ability, insight and other attributes of the candidates with respect to the best lineup for resolving current and future management issues for the sustainable development of the Company (including the positive and negative impacts on the economy, environment, and people, including human rights), and proposes suitable candidates to the Board of Directors. The Governance Committee, which consists of the Chairman of the Board of Directors who is not an executive officer and the independent outside directors who supervise the management team on behalf of shareholders and other stakeholders, provides the president with advice. The Board of Directors makes the final decision after due deliberation.

With regard to the selection of executive officer candidates, the president, based on the recommendations from the executive officers, comprehensively considers the knowledge, experience, ability, insight and other attributes of the candidates in accordance with the same approach as when nominating candidates for director, and the same procedures shall be used to determine director candidates.

The Governance Committee has opportunities to deliberate on the environment and methods for fostering the next president as well as concerning the candidates. In the event that an executive officer has rendered himself or herself markedly ineligible, for example by having acted unlawfully, improperly, or disloyally, and a dismissal recommendation is made to the Board of Directors after the Governance Committee gives advice on the matter, and the individual concerned may be dismissed by resolution of the Board of Directors.

With regard to the nomination of Audit & Supervisory Board member candidates, the president comprehensively considers the qualifications, knowledge (including that of finance, accounting, and law), experience, ability, insight and other attributes of the candidates and, after obtaining the prior approval of the Audit & Supervisory Board, proposes the qualified candidates to the Board of Directors, which then determines the nominations.

The Board's Engagement in Succession Planning for the CEO and Other Top Executives

The succession planning for holders of the office of chief executive officer (president and director) is developed and executed appropriately on the basis of our corporate philosophy and business plans. With regard to the candidate for the successor to the president, the Governance Committee, composed of the chairman of the Board of Directors who is not an executive officer and three independent outside directors, has opportunities to deliberate on the environment and methods for fostering the next president as well as concerning the candidates, etc.

Regarding the specific procedure for selecting the successor to the president, after consulting with the Governance Committee about the candidate recommended by the president and receiving advice on whether the candidate has the qualifications, knowledge, experience, abilities, and insight worthy of a president and director, the president makes the final proposal to the Board of Directors, which makes the final decision after due deliberation.

In selecting of the candidates for executive officers who serve as a pool of candidates for future president, the president, based on recommendations from the executive officers, consults with the Governance Committee regarding the best lineup to resolve the issues management faces, formulates the final proposal with reference to that advice, and submits the proposal to the Board of Directors. The Board of Directors then makes the final decision after due deliberation.

View on the Balance between Knowledge, Experience, and Skills of the Board as a whole, and Also on Diversity and Appropriate Board Size

The Board of Directors achieves a diverse composition by including both members from within the Company who are thoroughly familiar with each area of the Company's business as well as outside experts with knowledge, experience, ability, insight and other attributes different from that of the members from within the Company. Based on "what the Board of Directors should ideally be," as stated in the Corporate Governance Report, the skill matrix for the Company's directors and Audit & Supervisory Board members was created and is shown below. Each skill item has been selected through discussions by the Board of Directors, focusing on those required to realize the Company's long-term vision and Vision for 2030. As the knowledge, experience, ability, insight, and

Corporate Governance

other attributes required of the Company's Board of Directors may change in response to changes in management strategies and the external environment, the Board of Directors will continue to discuss the necessary knowledge, experience, ability, insight, and other attributes, and update the skills matrix as necessary. The size of the Board of Directors will be appropriate to conducting active discussions and ensuring the briskness of the Board. One-third or more of the Directors will be independent outside directors in order to strive for greater managerial transparency.

Skills Matrix for Board of Directors

GRI 2-9

Knowledge, experience, ability, etc. possessed by directors and Audit & Supervisory Board members that the Company believes will contribute to the effectiveness of the Board of Directors									
Category	Name	Years in Office (As of June 26, 2024)	General Corporate Management, Sustainability	Global Capability (International Experience)	Business, Marketing	R&D, manufacturing, Engineering	Quality, Safety, Environment	Finance, Accounting	Human Resources, Legal, Compliance
Directors	Akira Nozaki	10 years	●	●	●			●	
	Nobuhiro Matsumoto	5 years	●	●	●	●	●		
	Masaru Takebayashi	1 year	●	●	●	●	●		
	Hiroshi Yoshida	–	●	●	●			●	●
	Hideyuki Okamoto	–	●	●	●	●	●		
	Taeko Ishii <i>Outside</i>	6 years							●
	Manabu Kinoshita <i>Outside</i>	4 years	●		●				●
	Koji Takeuchi <i>Outside</i>	–			●	●			
Audit & Supervisory Board Members	Koji Imai	3 years							●
	Tsuyoshi Nozawa	2 years	●				●	●	
	Shoji Wakamatsu <i>Outside</i>	3 years						●	
	Tsuguya Ieda <i>Outside</i>	–		●	●			●	●

Fields in which Directors and Audit & Supervisory Board Members believe that they can make a particular contribution to the effectiveness of the Board of Directors are indicated with a "●".

Furthermore, the Company has established the guidelines for fulfillment. For the details, please refer to the final page of the Corporate Governance Report.

The concurrent occupations of outside directors and outside Audit & Supervisory Board members (as of March 31, 2024) are listed in the Document of Matters Subject to Measures for Electronic Provision Regarding the 99th Ordinary General Meeting of Shareholders

 **Corporate Governance**
<https://www.smm.co.jp/en/ir/management/governance/>

 **The Document of Matters Subject to Measures for Electronic Provision Regarding the 99th Ordinary General Meeting of Shareholders. P.16-19, 4. Matters related to corporate officers**
https://www.smm.co.jp/en/ir/stock/meeting/pdf/2024/no99_houkoku_E.pdf

Training Policy for Directors and Audit and Supervisory Board Members

GRI 2-17

The training of directors and Audit & Supervisory Board members is based on the self-improvement of each individual, and therefore the Company contributes to self-improvement by providing opportunities for training either directly or as an intermediary, and provides support for the costs thereof.

Specifically, the Company provides training on the legal liabilities of officers, compliance, and legal knowledge for newly appointed directors, Audit & Supervisory Board members, and executive officers when assuming office. The Company provides various kinds of internal training for directors, Audit & Supervisory Board members, executive officers, and others and endeavor to obtain timely and appropriate information through lectures by lawyers and other external experts and through other such means. Additionally, the Company provides information on other training opportunities such as external seminars.

Including the above, the Company bears the entire amount of any expenses necessary for director, Audit & Supervisory Board member, and executive officer training.

Basic Policy and Procedures for Remuneration of Directors

GRI 2-19/2-20

Basic Policy

Remuneration for directors of SMM is linked to the business performance of the Company, and designed to motivate directors to achieve medium- to long-term goals, based on the business structure of the Company, so that it functions as a sufficient incentive to contribute to sustainable growth, increase the corporate value of the Group over the medium to long term, and to strengthen and maintain the management base. When determining the remuneration of individual directors, the amount of remuneration is calculated using a predetermined formula in order to ensure fairness, and the Company maintains a basic policy of setting remuneration at an appropriate level based on the responsibilities of each director.

Specifically, the remuneration for directors (excluding the Chairman and outside directors) shall

Corporate Governance

consist of basic remuneration and bonuses. Basic remuneration shall consist of fixed remuneration (remuneration which is neither performance-based nor non-monetary) and performance-based remuneration, etc., while bonuses shall be performance-based remuneration, etc. The Chairman and outside directors shall receive only fixed remuneration and no bonuses.

Basic remuneration is calculated on an annual basis for each individual and paid each month in monthly installments, while bonuses are paid once annually after approval is obtained at the Ordinary General Meeting of Shareholders.

The ratio of fixed remuneration to performance-based remuneration for eligible directors in the current fiscal year will be approximately 2:1.

Matters Related to Performance-Based Remuneration

The indicators employed by the Company to determine performance-based remuneration include consolidated results (profit attributable to owners of the parent, profit before tax), departmental results (return on capital employed [ROCE], free cash flow, and segment income), the degree of attainment of personal targets under medium- to long-term management strategies, and safety record (number of industrial accidents).

Reason for Selection of Above Indicators

- **Consolidated results (profit attributable to owners of the parent, profit before tax)**

Because these indicators are key measures of the Company's corporate management performance, and are the profitability targets that it aims to achieve as part of its long-term vision.

- **Departmental results**

The three absolute values of efficiency, cash flow, and profit were selected in order to evaluate performance in a balanced manner.

- **Degree of attainment of personal targets under medium- to long-term management strategies¹**

Because the steady implementation of plans with a medium- to long-term perspective is essential in order to increase our corporate value in a sustainable manner.

- **Safety record**

Because we believe that securing a safe workplace is our operating foundation.

¹ Growth strategies, measures to strengthen competitiveness, measures to improve sustainability, etc., set forth in the 2021 3-Year Business Plan

Method of Determining Amount of Performance-Based Remuneration, Etc.

The amount of performance-based remuneration, etc. is calculated by adding an amount reflecting individual performance to an amount of position-specific performance-based remuneration, etc.

The details of each calculation method are provided in "Matters related to performance-based remunerations, etc." of the Document of Matters Subject to Measures for Electronic Provision Regarding the 99th Ordinary General Meeting of Shareholders.

Moreover, there are no sign-on bonuses or recruitment incentive payments, termination payments, clawback systems, or retirement benefits.

Annual Total Compensation Ratios (FY2023)

GRI 2-21

Ratio of the average annual total compensation for the organization's highly-paid individuals to the total compensation for all employees ¹	975%
Ratio of the percentage increase in average annual total compensation for the organization's highly-paid individuals to that for all employees ²	–

¹ Average annual total compensation for the organization's highly-paid individuals is calculated as annual total compensation for internal directors (plus the employee salaries of any directors concurrently serving as employees) divided by the number of internal directors
This ratio is calculated as average annual total compensation for the organization's highly-paid individuals divided by the median annual total compensation for all employees x 100

² Ratio of the percentage increase is calculated as the percentage increase in average annual total compensation for the organization's highly-paid individuals divided by the median of the percentage increase of annual total compensation of all employees x 100

 **The Document of Matters Subject to Measures for Electronic Provision Regarding the 99th Ordinary General Meeting of Shareholders. P.20-26, 5. Matters related to remunerations of corporate officers**
https://www.smm.co.jp/en/ir/stock/meeting/pdf/2024/no99_houkoku_E.pdf

Paid to Directors and Audit & Supervisory Board Members

FY2023 Director and Audit & Supervisory Board Member Remuneration

Officer Classification	Total Remuneration	Total amount of remuneration, etc. by remuneration type			Number of Officers
		Fixed remuneration	Performance-based remuneration, etc.	Non-monetary remuneration, etc.	
Directors (excluding outside directors)	JPY405 million	JPY245 million	JPY160 million	–	5
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	JPY68 million	JPY68 million	–	–	3
Outside directors	JPY43 million	JPY43 million	–	–	3
Outside Audit & Supervisory Board members	JPY24 million	JPY24 million	–	–	2

Directors whose total remuneration, etc. is JPY100 million or more are disclosed individually in the Company's Annual Securities Report

Corporate Governance

Analysis and Evaluation of the Effectiveness of the Board as a whole, and the Results

GRI 2-18

The Board of Directors analyzes and evaluates the effectiveness of its performance from the perspective of appropriate decision-making for business execution and enhancing monitoring functions. In FY2023, the Board of Directors analyzed and evaluated the effectiveness of the Board of Directors, with the following results.

1. Analysis and evaluation process

The Company engaged a third-party organization, Japan Board Review Co., Ltd., to assist in the analysis and evaluation. A questionnaire to Directors and Audit & Supervisory Board members was prepared based on data for Board meetings, meeting minutes, and prior discussion among the third party, the Chairman of the Board of Directors, who assumes the chairmanship of the Board, and the President and Representative Director, who is the officer with ultimate responsibility for business execution. In addition, individual interviews with all respondents by the third party were conducted for the first time in three years, and a new mutual evaluation within the categories of Inside Director, Outside Director and Audit & Supervisory Board member was conducted in the interviews.

The Board of Directors deliberated on the effectiveness of the Board of Directors at the ordinary meeting held in February 2024, based on the report from the third party and the “what the Board of Directors should ideally be (aiming for a Board of Directors that emphasizes decision-making functions)” confirmed in fiscal 2016, and confirmed its evaluation and future actions.

2. Overview of analysis and evaluation results

a. Questionnaire responses and interview results

Major items related to the roles and composition of the Board of Directors were rated highly and specifically as follows.

a) With regard to the “role and function of the Board of Directors,” it was shared that the Board of Directors aims to be a “Board of Directors that emphasizes decision-making and supervises through decision-making.” A shared understanding of the roles and functions of the chairman, outside directors, and inside directors, and Audit & Supervisory Board members was well established. The idea that changes are necessary toward the future was also indicated.

- b) The decision-making process, which is discussed at the Management Committee and submitted to the Board of Directors is appropriate and allowed for active and essential discussion.
- c) The size and composition of the Board of Directors is appropriate from the perspective of active discussion, decision-making, knowledge, and experience. There is also an opinion that it is necessary to further ensure diversity in terms of gender and expertise.
- d) Appropriate efforts are being made to address issues identified in the last year as those to be continuously addressed (securing appropriate human resources, etc.).
- e) Important management issues and sustainability were adequately deliberated by the Board of Directors through open and active discussions. Implementation status of proposals and its results were also appropriately followed up. On the other hand, there is an opinion that medium- to long-term competitive advantages needed to be further discussed for the future.
- f) The composition of the Governance Committee is appropriate, and its role is clearly defined.
- g) The system to support outside directors is adequate. Their cooperation and communication with Audit & Supervisory Board members is also sufficient.

b. Issues identified from the responses to the questionnaire and the results of the interviews (suggestions for improvement by the third-party organization)

- a) Medium- to long-term business direction and strategies, including sustainability, should be further discussed for strengthening supervisory function through decision-making.
- b) The operation of the Board of Directors meetings should be further improved (e.g., by systematically setting discussion themes).

c. Response to the above issues (deliberations at Board of Directors meetings)

- a) Important themes among the medium-to long-term business direction and strategies, will be systematically handled as discussion themes. The holding of off-site meetings for this purpose will also be considered.
- b) Board meetings material will be further enriched to improve the quality of discussion.

3. Future steps

The Board of Directors confirmed that steps will be taken with regard to the above matters in order to improve its effectiveness in an ongoing manner.

Corporate Governance

Analysis and Evaluation of the Effectiveness of Auditing by Audit & Supervisory Board Members and the Audit & Supervisory Board, and the Results

In order to ensure managerial soundness and increase the corporate value of the Company's group, the Audit & Supervisory Board Members audit the execution of duties by directors and executive officers in accordance with the audit policies, audit plans, and other such matters prescribed by the Audit & Supervisory Board. In order to confirm and improve the effectiveness of the audits performed by Audit & Supervisory Board members and the Audit & Supervisory Board's activities, the Audit & Supervisory Board analyzes and evaluates their effectiveness.

Through this analysis and evaluation of the effectiveness, the Audit & Supervisor Board review the audits and activities during the previous fiscal year, consider issues to be improved and how to address them, and incorporate the findings in the next fiscal year's audit plan and day-to-day audit activities.

1. Analysis and evaluation process

We engaged an outside professional organization, Anderson Mori & Tomotsune, to conduct the analysis and evaluation from an independent and objective standpoint. Based on the results, the Audit & Supervisory Board conducted a self-evaluation and discussed key matters.

Specifically, the outside professional organization reviewed documents related to the Company's audit activities and the Audit & Supervisory Board in fiscal year 2023, based on which the following process was performed:

- 1) Questionnaires for all Audit & Supervisory Board members
- 2) Individual interviews with all Audit & Supervisory Board members
- 3) Interviews with the administrative office of the Audit & Supervisory Board
- 4) Discussions at Audit & Supervisory Board meetings based on results of the evaluation and findings by the outside professional organization

2. Overview of the analysis and evaluation results (overall rating)

The outside professional organization reported that "the evaluation concluded that fruitful audit activities were carried out" by the Audit & Supervisory Board. The Audit & Supervisory Board confirmed this evaluation and the following points and rated that the Audit & Supervisory Board were effectively functioning and the audits were effective.

- 1) Again in fiscal 2023, based on audit plans Audit & Supervisory Board members performed audits mainly through attendance at important meetings including Board of Directors meetings and various committees, interviews with executives including representative directors, and on-site inspections at sites and affiliated companies; checked the status of business execution by directors, etc.; confirmed that the establishment and operation of the internal control system had been effectively implemented; and made necessary representations of their opinions as well as remarks.
- 2) The Company's outside Audit & Supervisory Board members attended important meetings as many as possible and conducted on-site inspections in cooperation with full-time Audit & Supervisory Board members. As a result, outside Audit & Supervisory Board members bore greater burden in conducting audit activities compared to outside Audit & Supervisory Board members at other companies.
- 3) In auditing, Audit & Supervisory Board members including outside Audit & Supervisory Board members not only attending important meetings and providing their opinion, but also placed importance on observing sites and affiliated companies with their own eyes and communicating directly with local responsible personnel from the perspective of the independent decision-making system applicable to Audit & Supervisory Board members. In addition, Audit & Supervisory Board members played certain roles because they communicated findings obtained during routine audit activities to management personnel, heads of divisions, and organizations that received on-site inspections in the form of statements made during meetings, delivery of investigation reports, etc. and such findings were utilized for future management.

Corporate Governance

3. Issues and future actions for them

Based on the overall rating in 2. above and from the viewpoint of further enhancing audit activities by the Company's Audit & Supervisory Board, the outside professional organization pointed out issues.

Although many points were discussed on the basis of those issues, the following are the major issues and actions that were confirmed to be addressed and taken by the Audit & Supervisory Board, respectively. The Audit & Supervisory Board will also continue to examine other issues.

- 1) Issues concerning information sharing and cooperation among Audit & Supervisory Board members
Each regular Audit & Supervisory Board meeting is currently held before the succeeding ordinary Board of Directors meeting and therefore the time for discussion at regular Audit & Supervisory Board meetings is limited. Therefore, information is shared and opinions exchanged appropriately among Audit & Supervisory Board members not only during but also outside regular Audit & Supervisory Board meetings. In order to conduct more meaningful audit activities through in-depth discussions on issues identified or questions raised by Audit & Supervisory Board members, establishment of a new forum for discussion between all Audit & Supervisory Board members will be considered, and the results of such discussions recorded.
- 2) Issues concerning information sharing with Audit & Supervisory Board members of affiliated companies
In general, the risk of scandals is increasing in subsidiaries. It is therefore important to communicate with dedicated Audit & Supervisory Board members of affiliated companies. Currently, communication is promoted through the attendance of full-time Audit & Supervisory Board members at dedicated Audit & Supervisory Board member liaison meetings that are held with full-time Audit & Supervisory Board members of affiliated companies every two months. It will be examined to share information obtained from dedicated Audit & Supervisory Board members of affiliated companies further with outside Audit & Supervisory Board members.
- 3) Issues concerning follow-up after audit activities
It is important to follow up the status of improvement of actions, etc. taken by executives in response to feedback expressed and remarks made by Audit & Supervisory Board members to executives in on-site inspection reports or during Board of Directors meetings regarding results

of audits and discussions at Audit & Supervisory Board meetings. Accordingly, the Company will consider confirming and recording the status of follow-up actions taken by executive management regarding highly significant matters among the remarks made by Audit & Supervisory Board members to executives.

The Audit & Supervisory Board and its members will further improve the effectiveness of audit activities and strive to contribute to strengthening the management infrastructure and improving the corporate value of the Company's group.

Compliance

Approach and Policy

The SMM Group has established the SMM Group Code of Conduct to facilitate the realization of its Corporate Philosophy of contributions to society and the fulfillment of its responsibilities to its stakeholders through the performance of sound corporate activities, aiming to thereby make the Group an increasingly trusted corporate presence. Within this Code of Conduct we have established specific guidelines on conduct for officers and employees, and indicated compliance as fundamental to our corporate activities. Together with the Code of Conduct, the Basic Compliance Regulations set out a fundamental framework for compliance. Further, we have established the following policies and regulations regarding individual focus areas such as human rights and procurement, which are shared across the Group.

- Sumitomo Metal Mining Group Policy on Human Rights
- Sumitomo Metal Mining Group Sustainable Procurement Policy
- Sumitomo Metal Mining Group Basic Policy on Taxes [▶ P.128](#)
- Sumitomo Metal Mining Group Basic Policies for Anti-Bribery
- Regulations on insider trading prevention and information management
- Regulations on the safeguarding of personal information
- Regulations for export control
- Regulations for observance of competition law
- Regulations on the Whistle-blowing System (Speak Up System)

 [Sumitomo Metal Mining Group Policy on Human Rights](https://www.smm.co.jp/en/sustainability/management/humanrights_procurement/)
https://www.smm.co.jp/en/sustainability/management/humanrights_procurement/

 [Sumitomo Metal Mining Group Sustainable Procurement Policy](https://www.smm.co.jp/en/sustainability/management/csr_procurement/)
https://www.smm.co.jp/en/sustainability/management/csr_procurement/

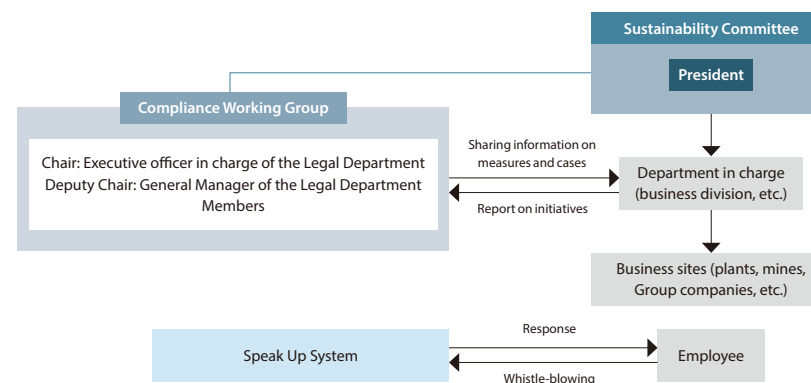
 [Sumitomo Metal Mining Group Basic Policies for Anti-Briberies](https://www.smm.co.jp/en/sustainability/management/bribery_prevention/)
https://www.smm.co.jp/en/sustainability/management/bribery_prevention/

Compliance-Related Management Framework

With the president bearing ultimate oversight responsibility for compliance, we strive to promote compliance through our organizational structure. The Compliance Working Group, which operates under the Sustainability Committee and is served by the Legal Department as secretariat, regularly conducts deliberations and exchanges information on material issues related to compliance. A system is in place whereby measures and case studies shared in the Working Group are communicated through Working Group members to respective divisions, and we are currently consolidating the framework to use this information in daily operations.

In FY2023, the Group-wide compliance goal of “Zero compliance violations that may seriously damage business” was set. Based on this goal, the following priority initiatives were identified as focus areas and implemented sequentially and promoted within each department: 1) review of our compliance management system, 2) thorough line management to eradicate intentional fraudulent acts that may result in serious damage to the business, and compliance violations that can lead to rescission of permits, and 3) departments in charge of laws and regulations sequentially develop measures, starting with those that can be initiated, for items posing a serious threat to operations or high reputation risk.

Management Framework Chart



Compliance

Compliance Issues and Their Responses

GRI 2-16/2-25/2-26/2-27/205-2/205-3/206-1/207-2/406-1/416-2/417-2/417-3

If a compliance issue (including GRI 2-26, “Responsible corporate conduct in organizational business activities and business relationships”) occurs or is likely to occur in our Group, it must in principle be promptly reported to the General Manager of the Legal Department and other relevant departments through our organizational structure. Further, a system is in place whereby the issue is reported to the Representative Director, standing Audit & Supervisory Board member, etc. through the General Manager of the Legal Department, and finally to the Board of Directors. When an incident occurs, measures are taken to identify the cause of such incident, formulate measures to prevent recurrence, and if necessary deployed horizontally.

Further, the Compliance Working Group promotes compliance across the entire Group by analyzing causes of incidents, and shares information aimed at preventing recurrence.

The results of checking the statuses in the occurrence of compliance issues in 2023 show that there were no serious legal or regulatory violations, including those related to the environment, products, service, marketing, tax, anti-corruption, and anti-competitive behavior. In addition, there were no fines or penalties reported in the consolidated financial statements or in the financial information submitted to public institutions for FY2023, and there are also no fines or penalties that are currently pending and could be recorded in the provisions of the balance sheet in financial statements.

Whistle-blowing System (Speak Up System)

For our Whistle-blowing System, detailed stipulations on matters pertaining to the handling of whistleblower reports and reports to the Board of Directors, etc. of violations of laws and regulations brought to light because of such reports are provided in our regulations on whistleblowing. Employees of our Group (excluding certain employees of affiliated companies which operate their own whistle-blowing systems) can provide information directly to the internal reporting hotline, SMM Group Speak Up System (Internal: General Managers of the Legal, Safety & Environment Control, or Internal Audit Departments; External: Attorney. However, depending on the matter, further responses may be conducted by the Audit & Supervisory Board) for not only matters that are in violation of laws and regulations, but also concerns or questions in line with the SMM Group Code of Conduct. The source of the information is always kept secret and if, for any reason, the informant is treated unfairly, the person who initiated the unfair treatment will be punished appropriately.

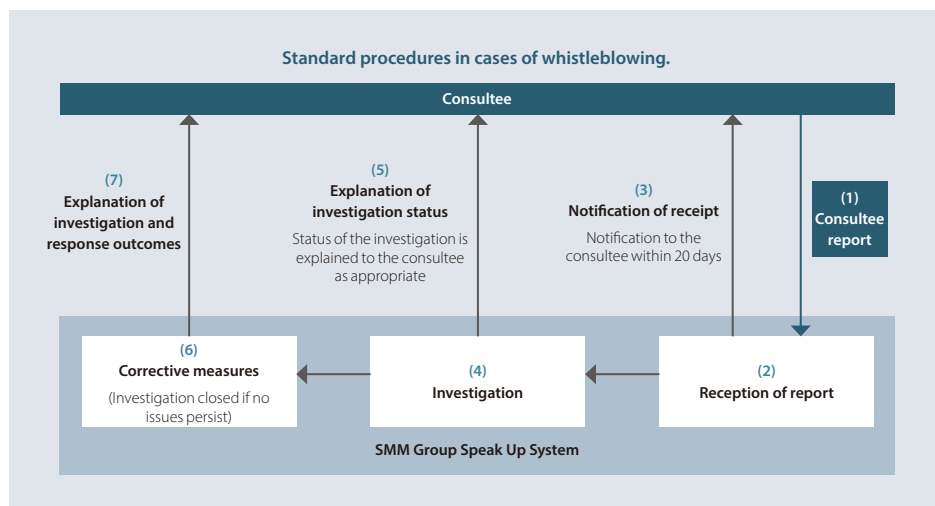
The Whistle-blowing System covers not only matters experienced by individuals, but also those that are raised for the purpose of seeking advice regarding responsible corporate conduct within the business’ activities and transactions (including those related to GRI 2-26).

In FY2023, a total of 12 incidents were reported through the internal reporting hotline across the Group, including those reported to affiliated companies’ independent hotlines. In addition, 12 consultation requests were fielded from employees through channels other than the Speak Up System.

Further, to understand whether the Whistle-blowing System is instilled throughout the Group, an employee awareness survey asks questions regarding whistleblowing and compliance, the results of which are analyzed. In addition, the General Manager of the Legal Department gives lectures on compliance and the Whistle-blowing System during regularly held training sessions.

Compliance

Flowchart of the Whistle-blowing System



Number of Reports Received (FY2023)

Category	Number
Harassment	3
Labor relations	2
Employment	2
Human resource systems	1
Decision-making procedures	1
Safety measures	1
Quality control	1
Labor unions	1
Total	12

One matter related to GRI 2-26 (systems for seeking advice and raising concerns) was raised, which was in duplicate of the abovementioned consultation. All reports were handled appropriately.

Participants of Compliance Education (FY2023)

Type of seminar	Classification	Participants
Compliance seminar for officers	Officers	39
Compliance seminar for general managers		
Introduction to export trade control		
Stamp duty briefing session		
Competition law lecture	Employees	1,681
JCO Study Center training		
Training for new employees		
Managerial employee training (Grade 4 and above)		
Training for employees promoted to Level E key positions		
Training for mid-career hires		

Compliance

Initiatives on Preventing Corruption

GRI 205-1

The SMM Group engages in initiatives to prevent corruption. Based on the SMM Group Basic Policies for Anti-Bribery and regulations for the prevention of bribery, we introduced a prior approval system (mandating approval by an authorized person in cases of entertainment or gifts, etc. to public officials, whether in Japan or overseas), while prohibiting bribery by officers or employees at each of the Group's companies in Japan and overseas. Further, an anti-bribery manual was formulated based on the characteristics of each business and country/region, as well as legal and regulatory conditions. Each business division and the Legal Department work together to prevent corruption under the supervision of the officer overseeing compliance.

We have furthermore made it mandatory for all employees to attend e-learning training seminars on anti-corruption legislation in advance of their promotion to certain managerial positions.



Sumitomo Metal Mining Group Basic Policies for Anti-Briberies

https://www.smm.co.jp/en/sustainability/management/bribery_prevention/

Compliance with Competition Laws

The SMM Group has established the Basic Policy for Compliance with Competition Laws and regulation for observance of competition law, while also having established, and is currently operating, a prior notification system (a system that in principle requires prior notification when contacting competitors) in addition to establishing rules governing contact with competitors. Furthermore, we have prepared a manual on regulations for the observance of competition law, to provide specific overviews on the content of the basic policy and regulations, with education on competition law also provided in the course of various training seminars and e-learning programs.

Initiatives on Export Control

Based on the regulations for export control, the SMM Group has established the Export Control Committee and strives for compliance with the Foreign Exchange and Foreign Trade Act and other laws and regulations related to exports, which includes consolidating internal procedures for export and technology transactions, internal audits, in-house education, and provision of guidance to each Group company.

Compliance

SMM Group Code of Conduct (Revised on October 1, 2022)

All officers and employees shall act in accordance with the following Code of Conduct so as to live up to the SMM Group Corporate Philosophy.

1. Compliance: Abidance by Laws and Rules

- We will comply with foreign and domestic laws and rules, and conform to social norms.
- We will never under any circumstances commit an infraction of the law or act counter to social norms, even if doing so would seem to be in the company's interests.

2. Respect for Individuals

- We will accept diversity and respect the individuality and rights of people.
- We will never violate human rights, engage in discriminatory conduct, or contribute to such conduct.

3. Assurance of Health and Safety

- We will give highest priority to ensuring the physical and emotional health and safety of all persons affected by our operations.

4. Development of Human Resources

- We will strive to nurture junior colleagues and successors through systematic training and by providing them with opportunities to play an active role, and will take steps to help them shape their careers.
- We will pursue self-improvement with an awareness of our own growth.

5. Risk Management

- We will strive to identify risks, prevent their occurrence, and if risks occur, minimize the effects.

6. Adherence to a Progressive Stance

- We will approach transformation with a positive and progressive attitude without clinging to conventions and practices.

7. A Prideworthy, Rewarding, and Joyful Workplace

- We will place high value on teamwork, in the form of cooperation both with other organizations and with fellow employees.
- We will contribute to creating a free and open-minded workplace conducive to the smooth transfer of required information and the timely performance of reporting, liaison and consultation.
- We will strive to foster a corporate culture in which people accept and believe in each other and respect diverse values.

8. In Harmony with Society and Local Communities

- As members of society, we will participate in social contribution activities in accordance with our personal beliefs.
- We will strive toward a harmonious and mutually beneficial relationship with local communities.

9. Separation of Corporate Business and Personal Affairs

- We will at all times conduct ourselves based on sound judgment, and make a clear distinction between corporate business and our personal affairs.

10. Collection, Management and Usage of Information

- We will collect information swiftly, properly and lawfully, manage it appropriately, and use it effectively.
- We will utilize information acquired in conjunction with corporate business expressly for that purpose only, and will not leak such information to any third party.

11. Handling of Intellectual Property

- We will nurture and maintain conscious recognition of the importance of intellectual property as a vital asset of the Group, and strive toward the creation of such property.
- We will strive to properly protect and effectively use all corporate intellectual properties; we will also respect intellectual properties of other parties.

12. Assurance of Quality

- We will nurture and maintain conscious recognition of the importance of intellectual property as a vital asset of the Group, and strive toward the creation of such property.
- We will strive to properly protect and effectively use all corporate intellectual properties; we will also respect intellectual properties of other parties.

13. Stance toward Performance of Sales and Purchasing

- We will comply with competition laws and conduct sales and purchasing activities based on fair competition.

14. Stance toward Entertainment and Gifts

- We will entertain and present gifts to others, and accept entertainment and gifts, within the proper limits of both the law and social acceptability.
- We will comply with laws against bribery and will maintain healthy and proper relationships with government and political organizations.

15. Severance of Relationships with Socially Disruptive Forces

- We will staunchly eliminate socially disruptive forces and have no relations whatsoever with them.

16. Concern for the Global Environment

- We will act in a manner that enables us to contribute to solving global environmental problems by reducing greenhouse gas emissions, taking biodiversity into consideration, and making effective use of water resources so as to create a decarbonized society, an advanced Sound Material-Cycle Society, and a society in harmony with nature.

17. Attitude in the Performance of Global Business Activities

- We will strive to interact with people in the countries or regions where we undertake business and engage in conduct that respects local culture and practices as well as globally accepted norms and their spirit.

Tax Governance

Approach and Policy

GRI 207-1

The SMM Group established and announced the Sumitomo Metal Mining Group Basic Policy on Taxes on April 1, 2021. Under this policy we comprehensively investigate and examine the relationships of its products to customers and local communities to develop business in a sustainable manner, as well as work toward the maximization of after-tax profit and free cash flow to maximize corporate value and achieve our long-term vision through sound corporate activities. A part of this, we also examine in terms of taxation, such as the status of tax treaties with countries where mines or plants are located, areas near key customers and markets, and countries where we do business. By continuing to comply with international tax standards and other related matters, and by fulfilling our tax filing and payment obligations appropriately and fairly, we will strive to coexist with local communities and countries where we do business.

Sumitomo Metal Mining Group's Basic Policy on Taxes

Basic Policy

Sumitomo Metal Mining (SMM) will, in the conduct of tax affairs associated with business activities, define the basic policy on taxes herein, pursuant to the SMM Group Corporate Philosophy that dictates "SMM, in accordance with the Sumitomo Business Spirit, shall, through the performance of sound corporate activities and the promotion of sustainable co-existence with the global environment, seek to make positive contributions to society and to fulfill its responsibilities to its stakeholders, in order to win ever greater trust."

In addition, SMM and all Group companies will make known to and instill in employees the activities that place importance on compliance focus, maximization of corporate value, and appropriateness and fairness.

1. Tax-related internal controls

At SMM and all Group companies, all persons (corporate officers including executive officers, and employees including fixed-term and temporary employees) engaged in considering or implementing tax-related business processes or individual transactions will share this Basic Policy and ensure tax transparency.

SMM and all Group companies will also seek to resolve tax issues for the entire Group and at each company, by maintaining a system that manages tax risk in each country and region and by business process and that shares information globally.

2. Compliance with tax laws, etc.

Business activities will be conducted in compliance with the tax laws, tax conventions, and other relevant laws and regulations applicable in each country and region, as well as tax-related standards and guidelines published by international institutions and others such as the Organisation for Economic Co-operation and Development (OECD).

3. Treatment as part of business activities

SMM and all Group companies will practice the tax studies and implementation related to any business process and transaction as part of business activities, since tax-related risk and tax expenses are closely linked to business processes and individual transactions arising from such business activities.

SMM and all Group companies will work to minimize global tax risk, such as double taxation related to business activities, through advance pricing arrangements with the tax authorities, consultation with outside experts, and other means. At the same time, SMM and all Group companies will seek to maximize corporate value and achieve its long-term vision, through proactive and constant efforts to utilize tax incentives and optimize tax expenses, tax payment periods, and other factors so that it can maximize

after-tax profit and free cash flow.

However, the following types of transactions will not be practiced:

- 1) Transactions aimed solely at avoiding tax, such as transactions using tax havens; and
- 2) Transactions that avoid tax through the transfer of income in forms that clearly depart from the Group's business objectives and economic realities.

4. Response to transfer pricing

International transactions between SMM and all Group companies will be performed using arm's length pricing that is calculated based on methods reflecting the transaction details, industry practices, or functional and risk analysis. In conducting a functional and risk analysis of each transaction, there will be compliance with tax-related standards and guidelines published by international institutions and others such as the OECD.

The arm's length pricing methods primarily applied:

- 1) Method based on market price according to an appropriate benchmark in line with industry practice; and
- 2) Method based on appropriate allocation of profits corresponding to the level of contribution founded on a functional and risk analysis.

5. Fair and appropriate tax

SMM and all Group companies will appropriately fulfill its tax payment obligations in compliance with applicable tax laws and other legal requirements at business activities in each country and region. In addition, SMM and all Group companies will seek to increase tax transparency and to build a constructive and fair relationship with the national or regional tax authorities.

6. Tax-related responsibilities and structure

SMM and all Group companies' tax activities will manage tax risks on a global basis and implement appropriate and fair tax treatments, subject to oversight by the executive officer in charge of SMM's Finance & Accounting Department, through the employees in charge of tax matters in the Finance & Accounting Department and the Group companies of relevant divisions operating in their respective countries and regions.

Moreover, employees with tax expertise will be assigned as necessary; and education and opportunities to increase tax knowledge will be provided to employees involved in tax considerations and implementation for business processes and individual transactions.

Tax Governance

Tax-Related Decision Making and Management and Implementation Framework

GRI 207-2

At SMM, an executive officer is responsible for the Finance & Accounting Department, which is in charge of taxes. The officer manages and oversees the daily execution of tax-related duties that are performed by the department staff.

We work to improve and operate our tax governance system, with the president and the Board of Directors playing roles as noted below.

- The Group has established, maintains, and effectively operates an internal control system for financial closing operations so that it can conduct appropriate accounting work, reporting of results, and other tasks, including tax-related matters. The Internal Audit Department evaluates the effectiveness of the internal control system, and reports the results to the president.
- The representatives of individual Group companies including the Company review and approve tax returns and payment details before filing and paying taxes. If a tax investigation is conducted, the executive officer in charge of the Finance & Accounting Department reports on the progress of the audit to the president. In cases in which additional payments or tax refunds arise, the practical procedures are handled with the approval of the president.
- When making decisions on matters such as investment projects, the Group conducts examinations that include tax-related matters and risk assessments. Particularly important projects are taken up by the Board of Directors for approval.

The Audit & Supervisory Board members ensure the appropriateness of tax-related practices and policies through the following roles.

- Audit & Supervisory Board members verify the appropriateness of financial closing operations, including tax calculations and tax effect accounting, through audits conducted by the independent public accountant. In addition, when necessary, they pose questions to the independent public accountant to clarify tax-related issues.
- Audit & Supervisory Board members receive reports from the internal audit department and the

independent public accountant regarding the results of their evaluation of the effectiveness of the development and operation of the internal control system for financial closing operations, including tax-related matters, and subsequently review the contents of the reports.

- When the president approves the filing and payment of income or other taxes on behalf of the Company, the Audit & Supervisory Board members review the documentation to confirm that filings and payments are properly managed within the Company.
- When the president approves the development of a tax policy, the Audit & Supervisory Board members review the documentation and confirm that the tax policy is properly developed within the Company.

Tax Compliance and Responses to Government

Initiatives for Tax-Related Compliance

GRI 207-1/207-2

Compliance is the cornerstone of the Group's corporate activities. In accordance with the Sumitomo Metal Mining Group's Basic Policy on Taxes, the SMM Group endeavors to adhere to tax laws, tax treaties, and other relevant laws and regulations applicable in the countries and regions where its mines or plants are located. Additionally, the Group follows tax-related standards published by international organizations such as the Organisation for Economic Co-operation and Development (OECD).

[Compliance](#)  [P.123](#)

Tax-Related Information Collection and Initiatives Involving Government, etc.

GRI 207-3

Through our activities as a member of the Japan Mining Industry Association, we make inquiries, collect information on, and express opinions to governmental agencies with regard to matters such as industrial policy and tax reform.

When the Group encounters issues involving interpretations of laws and regulations or specific procedural matters, we work to properly carry out tax-related matters through prior inquiries and consultations with tax authorities and outside experts.

[Income tax by country or region](#)  [P.111](#)

Risk Management

Approach and Action Principles

Approach

The definition of risk at our Group includes both that which is beneficial to our goals and that which is detrimental to them. We see risk as something that will have an effect on the achievement of business and organizational goals and that makes the protection or creation of value uncertain. Through risk management, we are able to revise goals and measures to maximize those risks which are beneficial, and inspect and improve processes to minimize those risks which are detrimental. This helps us achieve our 3-Year Business Plan, and ties into further ensuring the realization of our Vision for 2030 and our long-term vision.

Action Principles

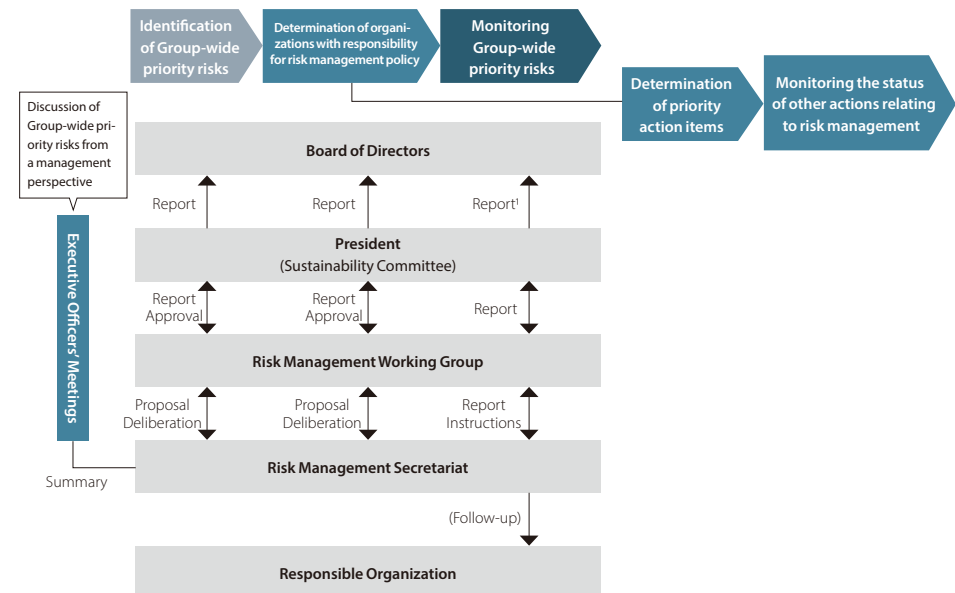
The SMM Group established the following Six Principles in the Basic Risk Management Regulations, which were formulated based on ISO 31000, a standard on risk management issued by the International Organization for Standardization, and engages in risk management (RM) to achieve our long-term vision of becoming the world leader in the non-ferrous metals industry.

1. The leader of the organization confronting the risk is the responsible party
2. Compliance is the foundation
3. Recognize that potential risks can materialize and take necessary risk countermeasures
4. Risks recognized as a result of change are shared among all parties involved
5. Implement RM in daily operations, considering the organization's hierarchy, size, role, and maturity, regional and cultural factors, and the knowledge, views, and values of stakeholders
6. Conduct ongoing reviews and improvements of management framework and initiatives

Management Framework

We took the criticality accident that occurred at JCO in 1999 very seriously and established the Risk Management Working Group as a body for implementing and monitoring risk management including Group-wide initiatives relating to risk management policies and priority measures. We established a structure with the president having the highest level of responsibility to respond to risks that the Group faces and changes in those risks. The risk management structure operated under this structure comprises three frameworks.

Group-wide Risk Management and Monitoring Framework Chart



¹ If any changes, etc. occur

Risk Management

Company-Wide Risk Management Framework



Business Risk Management

Among the management and business risks associated with execution of the Group's growth and business strategies, we have a mechanism to define critical Group-wide risks, which are particularly like to affect the achievement of our strategic goals (3-Year Business Plan), and address them. The critical Group-wide risks are discussed in management meetings attended by executive officers, including the president, and deliberated by the Board of Directors. To address the critical Group-wide risks, we establish response policies, designate the responsible department, and take action. The Risk Management Working Group monitors the status of actions to address critical Group-wide risks.

Also, management and business risk other than Group-wide critical risks are addressed through monitoring and implementing initiatives by management meetings, various committee meetings, medium-term plans, budgets, monthly reports, and so on.

Operational Risk Management

At each business site, in addition to focusing on specific risks addressed annually (focus areas), risks inherent in regular operations are also identified and assessed based on internal and external conditions, and are managed as individual risks (see serious risk categories). There are over 1,300 individual risks and we conduct risk mitigation on a daily basis by reviewing risk-management measures, when there are any changes to or variations in the environments and conditions that serve as prerequisites for identified risks (business environments, work environments, people, equipment, work procedures, quality standards, etc.), and taking measures against new risks. A periodic risk review is also undertaken company-wide during "RM Promotion Month" every September.

Serious Risk Categories

- Explosions and fires
- Environmental pollution
- Legal violations
- Quality failure
- Occupational accidents
- Supply chain disruptions
- Information leaks
- Damage from harmful rumors
- Violation of intellectual property rights
- Other risks include those originating from moral misconduct, such as fraudulent accounting, human rights issues, and malfeasance

Risk Management

Crisis Management

In preparation for crises beyond assumed scenarios of management and site-risk management, as well as instances where on-site handling is challenging, a standing Crisis Management Committee chaired by the officer responsible for crisis management was established as a permanent body. The committee works toward the sharing of crisis information, the formulation and improvement of proactive measures, and the maintenance and strengthening of crisis management functions through drills. It also deliberates on initial response to emergencies, and transition into Group-wide response headquarters which takes appropriate actions and provides support based on the level of crisis. The president has ultimate responsibility for crisis management as a whole.

At each business site, we are promoting measures against natural disasters, such as earthquakes, tsunamis, flooding, soil liquefaction, landslides, volcanic eruptions, in line with the hazard level of each site. Such measures include seismic reinforcement of buildings, improvement of seawalls, strengthening of wastewater treatment capacity, expansion of water storage tanks, and stockpiling of food, and drinks, and enhancement of emergency supplies. We also conduct drills to simulate earthquakes, fires, environmental accidents, and overseas terrorism, riots, and kidnappings, among other scenarios. We are working to address issues such as unfamiliarity with materials and the operation of equipment, lack of understanding of rules and procedures, and inadequate manuals, and to improve the decision-making capabilities of local task force members.

Future Initiatives

In FY2024, we identify two priority initiatives: “improving the effectiveness of risk mitigation measures and crisis management systems through internal audits and self-inspections” and identifying and responding to cybersecurity risks.

For the first priority initiative, we will review the re-identification of risks implemented in FY2023 and the crisis management systems used at each site to respond to accidents, disasters, and so on. Based on the results, we will implement measures to improve the effectiveness of risk management.

For the second, we will respond to the occurrence of incidents at companies in Japan that have had a major impact on corporate management, such as the interruption of business and leaks of information due to system outages caused by cyberattacks, by implementing cybersecurity measures throughout the Group and reinforcing responses in accordance with our business continuity plan (BCP).

In parallel with these initiatives, in addition to risk management in new business and projects, we are taking action under the leadership of top management so that we can achieve our business goals without causing any compliance violations, environmental accidents, occupational accidents, quality issues, or the like. Also, in the context of heightened security-related risks, such as a Taiwan contingency or unlawful detentions in China, we will work to not only prevent overseas incidents but also reinforce our responses when they occur. Concerning natural disasters, we will strengthen our earthquake countermeasures in response to ongoing threats including an earthquake with a seismic intensity of 7 on the Japanese scale in January 2024 on the Noto Peninsula and an earthquake measuring a low 6 in April 2024 in the Bungo Channel.

Furthermore, we will identify risks in the next 3-Year Business Plan and discuss policies for responding to those risks.

Quality Assurance

Approach and Policy

The SMM Group has established and operates a business model based on 3-business collaboration between the Mineral Resources, Smelting & Refining, and Materials Businesses. Through this business model, we endeavor to continuously improve products and respond to changing customer needs in order to deliver quality that satisfies customers.

To provide quality that satisfies customers, the president has established a Company-Wide Quality Policy and sets SMM Quality Objectives every year. Based on these standards, each business division sets forth and implements division-specific quality targets and conducts quality activities that are aligned across the entire SMM Group.

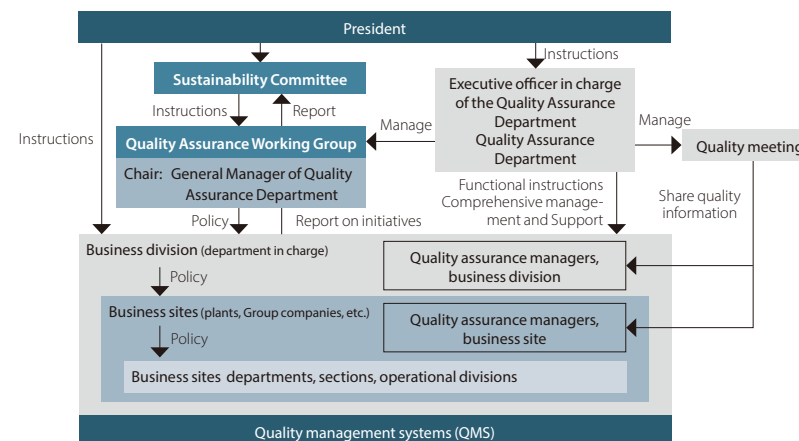
Quality Assurance Management Framework

With the president bearing ultimate oversight responsibility, we have appointed an executive officer in charge of the Quality Assurance Department to drive quality assurance initiatives. Each business division develops and maintains their own quality assurance framework, while the Quality Assurance Department manages quality across the entire Group and ensures a Group-wide unified approach.

Additionally, not only does the Quality Assurance Working Group—which comes under the Sustainability Committee—deliberate key measures for promoting quality assurance activities, it works to improve the Group's quality management systems (QMS) through the sharing of information on progress toward departmental targets and quality control status including the reduction of the number of complaints against the Company.

In addition, quality assurance managers from the various business divisions and business sites, along with members of the head office's Quality Assurance Department hold an annual quality meeting to share the quality management status of each business site and quality issues common across the entire Group.

Management Framework Chart



Company-Wide Quality Policy and Results

Company-Wide Quality Policy

Provide quality to satisfy our customers through continual improvements of quality assurance and control systems.

- Pursue quality levels that stand out from the trends of the time
- Abide by laws and rules and strive to create products incorporating safety and environmental considerations

FY2024 Company-Wide Quality Goal

Drive QMS improvements to achieve zero major quality complaints and create a structure that earns customer trust.

- Zero major quality complaints. Prevent complaints on quality that could jeopardize our business foundation
- Zero occurrences of quality misconduct
- Achieve complaint goals within business divisions

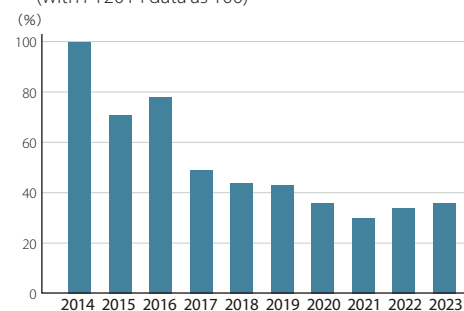
Quality Assurance

FY2023 Results

The figure to the right illustrates the changes quality complaints for the entire Group with FY2014 set as 100. The number of quality complaints decreased gradually starting from FY2014, reaching approximately one-third in FY2023 compared to FY2014.

In FY2023, number of quality complaints increased slightly from the previous year. This was mainly due to defects caused by human error in some departments. We will enhance risk analysis, take countermeasures to eliminate the true causes, and continue quality improvement measures in each business division and business site in the same manner as until now.

■ **Changes in Quality Complaints**
(with FY2014 data as 100)



Quality Improvement Initiatives

Issues and Initiatives for Improvement

Quality trusted by customers can be achieved only when all employees align their goals and directions and actively engage in activities to achieve targets. To enable this, we clarify issues based on facts obtained through external and internal communication to set targets, and all employees proactively participate in quality improvement activities based on our “SMM Quality Standards,” which summarizes the ideal form of QMS at our Company in order to achieve our goals.

Improving Effectiveness of Quality Management Systems

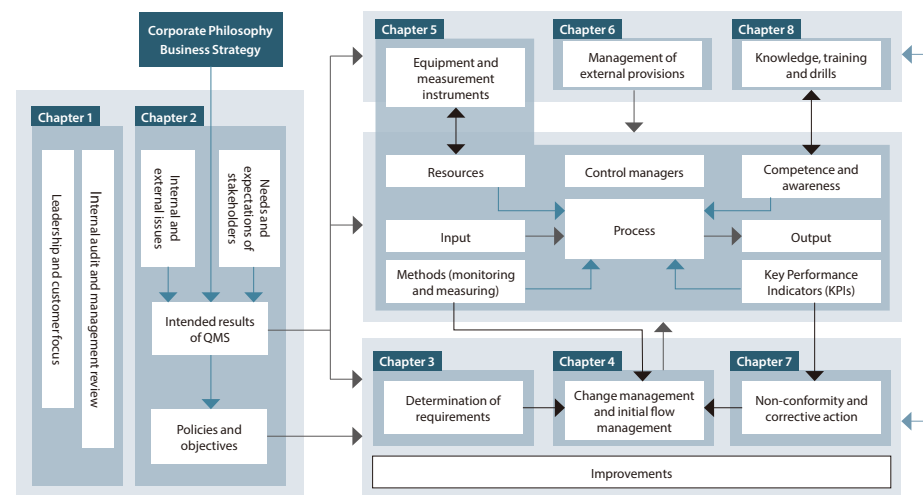
The SMM Group has established and is operating QMS at its business divisions and business sites. For such QMS to function effectively, we have been conducting improvement activities based on the SMM Quality Standards. Every fiscal year, each business site sets a target standard to be achieved for the SMM Quality Standards and undertakes improvement activities. At the end of fiscal year, we conduct a self-evaluation to determine whether the quality level has achieved the targets,

while evaluating and reviewing activities through internal quality audits and quality audits by the Quality Assurance Department. Based on the results, new targets are set for the next fiscal year, and the PDCA cycle of improvement is executed to continuously improve effectiveness of QMS at business sites.

The SMM Quality Standards categorizes requirements into eight chapters, with content based on the details of checks incorporating past issues, allowing us to identify strengths and weaknesses of each business site, and to focus on improving such weaknesses.

The SMM Quality Standards are revised each year, and we will continue to provide quality that satisfies our customers by improving the ideal QMS required by our Group.

Overall Picture of QMS and Applicable Items in SMM Quality Standards

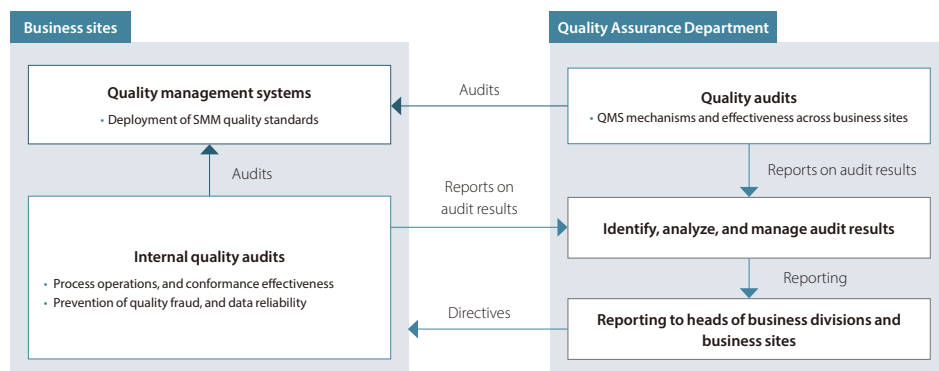


Quality Assurance

Strengthening of Our Internal Quality Audits

In accordance with the SMM Quality Standards, we carry out measures with the objective of conducting internal quality audits that can identify, from a third-party-like perspective, potential internal issues arising from problems that have been discovered and relay these findings to top management. We hold training to cultivate internal quality auditors at business sites in Japan, turning out roughly 570 internal quality auditors from FY2019 to FY2023. Internal quality auditors supervise the actual audits and verify their effectiveness, and we implement a PDCA cycle to develop these internal auditors.

To prevent quality-related misconduct such as falsification of inspection or testing data, we provide Group-wide quality fraud prevention training opportunities using e-learning. In addition, Group-wide efforts are made to deter misconduct, including internal quality audits to guarantee product quality and to confirm the reliability of inspection or testing data, automated transfer thereof to avoid human intervention, and if such automation is difficult, administrative measures are enhanced.



Expansion of Group-Wide Education on Quality

We provide training on quality based on our education system that aims to equip each level of employee, from new employees to managers, with necessary quality-related knowledge and management ability. With the aim to acquire wide-ranging quality-related knowledge and enhance awareness, SMM Hinkaku,¹ an e-learning program for all employees launched in FY2019, with approximately 5,900 employees taking the course in FY2021. SMM Hinkaku will be used for the education of new employees and transferees.

As a shortage is expected of human resources capable of assuming responsibility for quality in the future, training is conducted Group-wide to nurture people responsible for quality. Four practical training sessions a year are conducted to improve the effectiveness of the QMS by rolling out SMM Quality Standards to the business divisions. After completion, the trainees will determine issues to be addressed at their own business sites and aim to accomplish these issues by utilizing what they have learned in the training program. The Quality Assurance Department also follows up on the progress of the initiatives. The training was completed by 19 employees in FY2023 and is currently participated by 18 employees in FY2024.

¹ Trainees learn the minimum level of knowledge and awareness regarding quality required for manufacturing and then their proficiency is graded through a test

Products and Services Information Disclosure

GRI 416-1

Most items in the SMM Group product lineup are supplied as raw or processed materials for use by customers for manufacturing. Information that customers require to handle our Group's products properly from safety and environmental perspectives, as well as information needed to enable them to supply products, is communicated in product specifications at the time of contracting, during technical discussions, and via product inspection certificates and safety data sheets (SDS),¹ based on prior and the latest information, our Group's proprietary knowledge, and necessary studies. SMM products supplied to customers are carefully designed, incorporating considerations toward safety and environmental compatibility, and are only delivered after thorough trials and inspections carried out during their manufacture². We make sure that information utilized for the above is always appropriate through quality management systems, reviewing it based upon the latest technology, laws and regulations and demands from customers.

¹ SDS (Safety Data Sheet): A document listing information on a chemical product, including the chemical substance, the product name, the supplier, hazards, safety precautions and emergency procedures

² We also conduct surveys linked to life cycle assessments (LCA) for copper, nickel, and zinc through associations related to each metal

Quality Assurance

Communication with Customers

Business divisions and business sites take the initiative in conducting customer satisfaction surveys. The results are fed back to the sales and development divisions. To enhance customer satisfaction, we are constantly improving our methods of measuring and assessing customer satisfaction, accurately identify issues through precise and sufficient communication with our customers, and execute effective measures. Through quality improvement activities, we contribute to resource and energy conservation by improving product yield.

Information on SMM Products Requiring Disclosure by Labeling and Applicable Products/Services

GRI 417-1/417-2

Regarding product and service information and labeling, we disclose necessary information as indicated in the following table.

Information requiring disclosure	Applicable products/services
The sourcing of components of the product or service	All products/services containing substances requiring management under legislation Requirement is not applicable to our main products (raw materials and internally processed materials)
Content, particularly with regard to substances that might produce environmental or social harm	All products/services containing substances requiring management under legislation
Safe use of the product or service	All products/services containing substances requiring management under legislation
Environmental/social harm from disposal of the products	All products/services containing substances requiring management under legislation

Method of Providing Information Relating to Specifications

We indicate product specifications requested by the customer on the delivery sheet to provide necessary information to them.

Method of Providing Information Relating to Chemicals

The SMM Group uses SDS and others to provide information on chemical substances contained in products, complying with regulations for chemical substances and usage, regarding health and safety.

Other Initiatives

The SMM Group also engages in businesses such as the sale of various lubricants to general consumers. In line with related laws and regulations, we provide information on products and services in this area through labeling, advertisements, and explanations to ensure correct understanding.

Responding to Product Quality Issues as They Arise

If a quality issue arises in relation to the Group's products or services, the necessary action will be taken in accordance with the Quality Assurance Regulations. The business divisions and business sites will immediately check facts, report results of root-cause analysis and verification to the customer, and agree on the necessary corrective actions and recurrence prevention measures.

In the unlikely event that a serious quality issue occurs, the business division will promptly report the problem to management and the General Manager of the Quality Assurance Department, who in order to resolve quality issues immediately, will check the progress of necessary response measures, and confirm the effectiveness of corrective actions and measures to prevent recurrence.

Information Security

Approach and Policy

To promote information security management throughout the SMM Group, we have established and implemented a security policy consisting of the "Information Security Regulations" and "Group-wide Standards for Information Security."

FY2024 information security policy: "Strengthening responses to changing information security threats."

- We will strengthen measures against ransomware, which has been causing numerous incidents of harm in Japan and overseas.
- We will review systems and work to strengthen security.

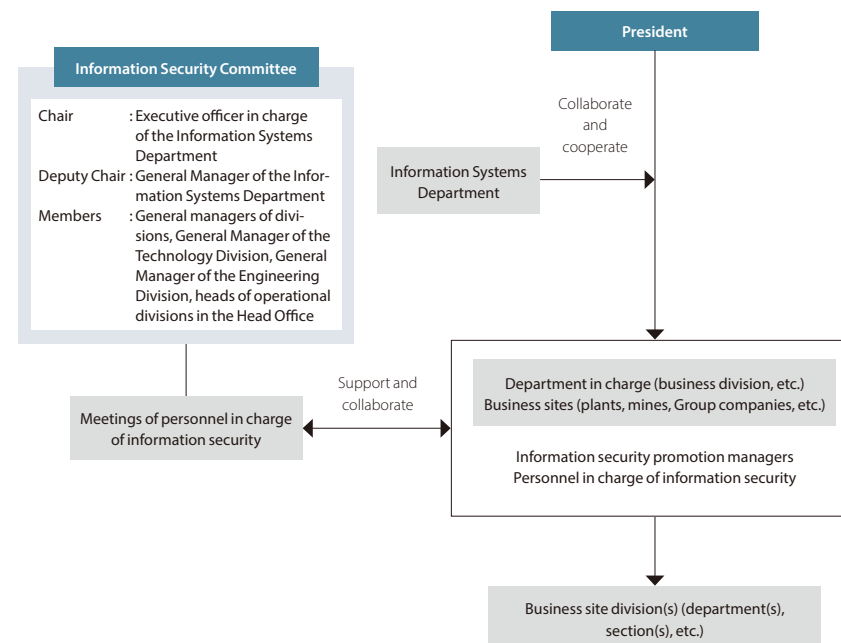
Management Framework

The Information Security Committee regularly deliberates Group-wide strategies and basic policies regarding information security, as well as Group-wide measures for information security. The Information Security Committee consists of the executive officer in charge of the Information Systems Department as the Chair, the General Manager of the Information Systems Department as the Deputy Chair, the general managers of divisions, the General Manager of the Technology Division, the General Manager of the Engineering Division, and the heads of operational divisions in the Head office as committee members, and the secretariat is set up as the Information Systems Department.

Measures to improve the level of information security are led by the Information Systems Department, and are specifically promoted with the cooperation of the information security promotion managers, who are the heads of the organizational units (plant, division, branch, etc.), and the information security personnel at each site. In order to facilitate promotion and follow up of the measures, the Information Systems Department serves as the secretariat for the meetings of personnel in charge of information security, which are held regularly.

The implementation status of the measures is fed back to the Information Security Committee and actions are taken as necessary.

Management Framework Chart



Response to Information Security Risks

To ensure the safety of in-house information assets from increasingly sophisticated cyber security attacks, we are taking countermeasures on both a system and human level.

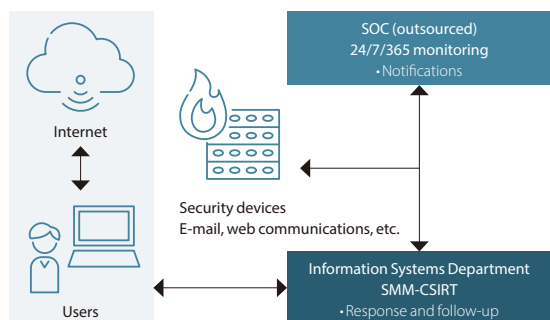
For threats such as cyber-attacks from outside, the SOC¹ to which we are outsourced, monitors newly detected malware, targeted attack e-mails, and other threats 24 hours a day, 365 days a year. When an abnormality is detected, we have a system in place where the Information Systems Department is promptly contacted and, together with the SMM-CSIRT² quickly implements an appropriate response.

Information Security

We also educate and train employees through e-learning and targeted attack e-mail drills to prevent damage from cyber-attacks.

1 Security Operation Center (SOC): An organization specializing in monitoring and analyzing information from security devices, taking countermeasures, etc.

2 Computer Security Incident Response Team (CSIRT): The generic name for the organization that analyzes the causes of computer security problems, investigates the scope of impact, and responds



Main System Countermeasures

- Critical information is stored on servers in an external data center with advanced accident countermeasures, and the data center is protected by a special security system.
- Internal and external networks are separated by a firewall to protect against cyber-attacks from the outside (Internet).
- For work-from-home and other remote connections, we use a cloud security gateway with a high level of security, rendering third-party connections or unauthorized entries impossible.
- All servers and PCs are equipped with EDR¹ software in addition to anti-virus software. We have a system where EDR software logs are monitored 24 hours a day, 365 days a year by an external SOC to promptly detect and respond to malware infection.
- We have introduced e-mail and web filters to ensure safe use of e-mail and the Internet by our employees.
- Of the above countermeasure systems, important ones are outsourced to an external SOC that operates 24 hours a day, 365 days a year to promptly detect and respond to any anomalies.

¹ EDR: endpoint detection and response

Main Human Security Measures

- We conduct annual information security education using an e-learning service specialized in the field of cyber security, which is available in various languages, for the purpose of deepening employees' understanding of ever-changing cyber-attack methods and enhancing security awareness, including staff at our overseas sites.
- To prevent targeted attacks, which can easily lead to malware infection, we conduct targeted attack e-mail drills, in which users are sent simulated e-mails that look like actual attack e-mails, to increase their security sensitivity through first-hand experience.

Main Countermeasures Against Information Leaks

To ensure the security of customer information, including personal information, and confidential internal information, the following countermeasures are taken in addition to the above to protect electronic data.

- In principle, the use of USB memory devices is prohibited, but work environments are equipped with systematic controls to allow use upon the provision of notice.
- Mobile PCs and other devices that may be taken outside the Company have their disks encrypted so that even if they are stolen or lost, a third party cannot view the data.
- We use a dedicated file server and an external cloud storage service to store in-house data, and strictly control rights to access.
- Our system monitors communication path logs to promptly detect and respond to unauthorized communications.
- Our system is designed to prevent malware infections from suspicious e-mails by sharing information about suspicious e-mails that slip through the filtering system with users.

We analyze the results of the above measures to provide feedback to each department and management and to incorporate the results into future plans.

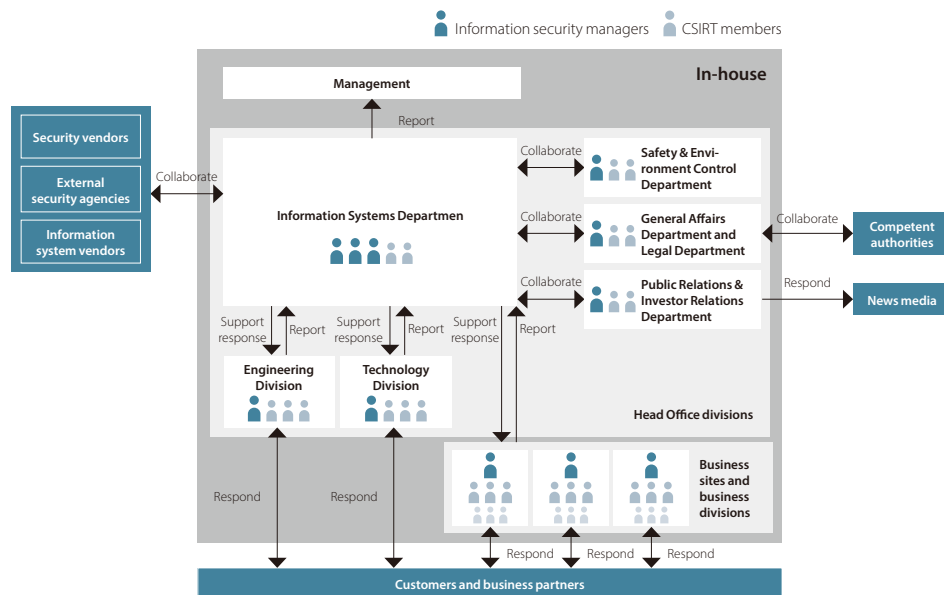
Information Security

Response to Security Incidents

The SMM-CSIRT, consisting of the Information Systems Department and representatives from user departments, has been established to respond promptly and prevent the spread of damage in the unlikely event of a serious security incident despite the security measures taken.

We codify the main response processes in the event of an incident, and the Information Systems Department and the relevant user departments work together to respond to incidents and bring them to an early end, while also working along with external responses.

SMM-CSIRT is a member of the Nippon CSIRT Association (NCA), cooperates with external organizations, and is enhancing responsive capabilities by participating in the annual incident response training held by NCA.



Results and Plans for Measures

In FY2023, we implemented the following measures.

- Replaced our anti-virus software with deep learning software with high detection capability against unknown malware
- Introduced a globally compatible authentication infrastructure to create a zero-trust network

In FY2024, we plan to implement the following measures to bolster security operations.

- Reinforce countermeasures against spoofed e-mails and leaks of e-mail information
- Replace device management tools and expand the scope of management to overseas
- Identify issues through information security audits and implement countermeasures

External Assessments and Awards (As of June 31, 2024)

We have been recognized by various external evaluation organizations as a company that promotes sustainability initiatives and have been included in various indices.

Inclusion in Indices

Various FTSE Indices¹

FTSE4Good Index Series

FTSE Blossom Japan Index (Continued inclusion in 2024)

FTSE Blossom Japan Sector Relative Index (Continued inclusion in 2024)

We have been selected as a constituent of the FTSE4Good Index Series, the FTSE Blossom Japan Index and the FTSE Blossom Japan Sector Relative Index. These indices were developed by FTSE Russell, a global index data provider, to measure the performance of companies that are active in environmental, social and governance (ESG) practices. The FTSE Blossom Japan Index and the FTSE Blossom Japan Sector Relative Index are widely used by one of the world's largest institutional investors, and which manages Japan's public pension funds, the Government Pension Investment Fund (GPIF), and others to create and evaluate ESG investment funds and other financial products.



FTSE4Good



FTSE Blossom Japan Index



FTSE Blossom Japan Sector Relative Index

¹ FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Sumitomo Metal Mining Co., Ltd. has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products. FTSE Russell confirms that Sumitomo Metal Mining Co., Ltd. has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Index. Created by the global index and data provider FTSE Russell, the FTSE Blossom Japan Index is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products. FTSE Russell confirms that Sumitomo Metal Mining Co., Ltd. has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index. The FTSE Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

 FTSE Blossom Japan Index Series
<https://www.iaseg.com/en/ftse-russell/indices/blossom-japan>

 FTSE4Good Index Series
<https://www.iaseg.com/en/ftse-russell/indices/ftse4good>

MSCI ESG Leaders Indexes¹ (Continued inclusion in 2024)

Equity indices created by U.S.-based MSCI, Inc., consisting of companies that have received high ESG ratings.



MSCI Japan ESG Select Leaders Index¹ (Continued inclusion in 2024)

An equity index created by U.S.-based MSCI, Inc., consisting of listed companies in Japan with excellent ESG ratings, and is one of the ESG indices selected by the Government Pension Investment Fund (GPIF).

2024 CONSTITUENT MSCI NIKONKABU
ESG SELECT LEADERS INDEX

¹ The inclusion of Sumitomo Metal Mining Co., Ltd. (SMM) in any MSCI Index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of SMM by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.



MSCI Japan ESG Select Leaders Index
<https://www.msci.com/indexes/group/esg-leaders-indexes>

S&P/JPX Carbon Efficient Index (Continued inclusion in 2024)

This index is provided by S&P Dow Jones Indices and the Tokyo Stock Exchange (TSE). Component stocks are weighted against TOPIX component stocks based on their environmental initiatives, such as environmental information disclosure and carbon efficiency levels. It is one of the ESG indices used by the Government Pension Investment Fund (GPIF).



S&P/JPX Carbon Efficient Index
<https://www.jpjx.co.jp/english/markets/indices/carbon-efficient/index.html>

External Assessments and Awards

Morningstar® Japan ex-Reit Gender Diversity Tilt IndexSM

This is an index of Japanese stocks adopted by the Government Pension Investment Fund (GPIF), which is the world's largest institutional investor and manages Japan's public pension funds. The index, designed by the investment research company Morningstar, focuses on companies where established gender diversity policies are ingrained in their corporate culture, as well as companies that promise equal opportunities to employees regardless of gender. This index classifies companies into five groups based on data and scores from Equileap.¹ Our company has been rated as the highest-ranking "Group 1" in December 2023.



¹ An agency based in the Netherlands that provides and evaluates data on gender-related aspects of companies worldwide



Morningstar, Inc., and/or one of its affiliated companies (individually and collectively, "Morningstar") has authorized Sumitomo Metal Mining Co., Ltd. to use of the Morningstar Japan ex-REIT Gender Diversity Tilt Logo ("Logo") to reflect the fact that, for the designated ranking year, Sumitomo Metal Mining Co., Ltd. ranks in the top quintile of companies comprising the Morningstar® Japan ex-REIT Gender Diversity Tilt IndexSM ("Index") on the issue of gender diversity in the workplace. Morningstar is making the Logo available for use by Sumitomo Metal Mining Co., Ltd. solely for informational purposes. Sumitomo Metal Mining Co., Ltd. use of the Logo should not be construed as an endorsement by Morningstar of Sumitomo Metal Mining Co., Ltd. or as a recommendation, offer or solicitation to purchase, sell or underwrite any security associated with Sumitomo Metal Mining Co., Ltd. The Index is designed to reflect gender diversity in the workplace in Japan, but Morningstar does not guarantee the accuracy, completeness or timeliness of the Index or any data included in it. Morningstar makes no express or implied warranties regarding the Index or the Logo, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the Index, any data included in it or the Logo. Without limiting any of the foregoing, in no event shall Morningstar or any of its third-party content providers have any liability for any damages (whether direct or indirect), arising from any party's use or reliance on the Index or the Logo, even if Morningstar is notified of the possibility of such damages. The Morningstar name, Index name and the Logo are the trademarks or services marks of Morningstar, Inc. Past performance is no guarantee of future results.

External Assessments of Sustainability

MSCI ESG Ratings

An evaluation by U.S.-based MSCI Inc. that measures a company's exposure to significant ESG (environmental, social, and governance) risks within its industry and the adequacy of its risk management. As of July 2024, we have received an MSCI ESG rating of AA. (On a 7-point scale from AAA-CCC.)



CDP

CDP is an ESG evaluation organization that evaluates more than 13,000 companies worldwide on their strategies to address climate change and their efforts to reduce greenhouse gas emissions. Each company is evaluated using an independent method based on the comprehensiveness of its disclosure, risk management, high goal setting, leadership, and other information and assigned a score from A to D-. We have been responding to CDP's questionnaire since 2014. As a result of our response to the CDP questionnaire in 2023 we received a rating of A- for Climate Change and B for Water Security.



External Assessments and Awards

ESG Finance Awards Japan (Environment Sustainable Category)

The ESG Finance Awards Japan is an award system established by the Ministry of the Environment of Japan in 2019 with the aim of widely sharing the innovative initiatives of institutional investors, financial institutions, and companies that actively engage in ESG finance and environmental and social projects, and contributing to the spread and expansion of ESG finance. The Environment Sustainable Category, which is one of the award categories, recognizes companies that incorporate important environmental opportunities and risks into their business strategies and generate positive effects on corporate value and the environment. We have won the Special Award in the Environment Sustainable Category at the 5th ESG Finance Award Japan. In addition, we have also been selected as an "Environment Sustainable Company" based on the appropriate disclosure of our strategies, KPIs, and initiatives related to environmental issues in our integrated reports, sustainability reports, and company website, meeting certain disclosure criteria.



ESG Finance Awards Japan
https://greenfinanceportal.env.go.jp/policy_budget/esg_financeaward/about.html (Japanese text only)

Kurumin Certification

We formulated an action plan for general business owners based on the Act on Advancement of Measures to Support Raising Next-Generation Children. In 2022, by achieving the goals set in the plan and meeting standards, we received the Kurumin certification from the Minister of Health, Labour and Welfare as a company supporting childcare.



SMM's General Employer Action Plan
 Health & Productivity Management Outstanding Organization
https://youritsu.mhlw.go.jp/hiroba/planfile/202404011515113742138_1.pdf (Japanese text only)

Digital Transformation Certification

"Digital Transformation Certification" is a system in which the Japanese government certifies companies that have been recognized as being prepared for promoting DX (Digital Transformation) by complying with the "Digital Governance Code," which summarizes the requirements for executives in response to the social transformation brought about by digital technology.



Digital Transformation Certification initiatives (Ministry of Economy, Trade and Industry website)
https://www.meti.go.jp/policy/it_policy/investment/dx-nintei/dx-nintei.html (Japanese text only)

We also post information on external assessments on the Company website.



External Assessments and Awards
<https://www.smm.co.jp/sustainability/awards/> (Japanese text only)

Independent Assurance Report



Independent Assurance Report

To the President and Representative Director of Sumitomo Metal Mining Co., Ltd.

We were engaged by Sumitomo Metal Mining Co., Ltd. (the "Company") to undertake a limited assurance engagement of the environmental, social and economic performance indicators marked with ☑ (the "Indicators") for the period from April 1, 2023 to March 31, 2024 included in its Sustainability Report 2024 (the "Report") for the fiscal year ended March 31, 2024; the alignment of the Company's policies to the International Council on Mining and Metals ("ICMM")'s 10 Principles, the relevant Corporate-level Performance Expectations (CPEs) and the applicable mandatory requirements set out in ICMM position statements; the Company's prioritization process for selecting assets for the validation of Asset-level Performance Expectations (APEs); the Company's identification and prioritization of material issues and the Company's approach and management of its material issues included in the Report.

The Company's Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the "Company's reporting criteria"), as described in the Report; reporting on the alignment of the Company's policies to the ICMM's 10 Principles, the relevant CPEs and the applicable mandatory requirements set out in ICMM position statements; reporting on the Company's prioritization process for selecting assets for the validation of APEs; reporting on the Company's identification and prioritization of material issues and reporting on the Company's approach and management of its material issues.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information' and the 'ISAE 3410, Assurance Engagements on Greenhouse Gas Statements' issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company's responsible personnel to obtain an understanding of its policy for preparing the Report and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and recalculating the Indicators.
- Visiting the Company's Niihama Nickel Refinery selected on the basis of a risk analysis.
- Evaluating the overall presentation of the Indicators.
- Assessing the alignment of the Company's policies to the ICMM's 10 Principles, the relevant CPEs and the applicable mandatory requirements set out in ICMM position statements through documentation reviews and interviews.
- Assessing the Company's prioritization process for selecting assets for the validation of APEs through documentation reviews and interviews.
- Interviewing the Company's responsible personnel and reviewing documents with respect to the Company's process of identifying and prioritizing its material issues and its approach to and management of its material issues.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that:

- the Indicators in the Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Report;
- the Company's policies are not aligned to the ICMM's 10 Principles and the applicable mandatory requirements set out in ICMM position statements as described on page 93 of the Report;



- the Company's self-assessment of the relevant CPEs is not as described on page 94 of the Report;
- the Company's prioritization process for selecting assets for the validation of APEs is not as described on page 94 of the Report;
- the Company has not identified and prioritized its material issues as described on page 19 of the Report;
- the Company has not approached and managed its material issues as described on pages from 13 to 18 of the Report.

Our Independence and Quality Management

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Management 1, we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Kazuhiko Saito, Partner, Representative Director
KPMG AZSA Sustainability Co., Ltd.
Tokyo, Japan
September 26, 2024

GRI Content Index

Statement of use Sumitomo Metal Mining Co., Ltd. has reported the information cited in this GRI content index for the period April 1, 2023 to March 31, 2024 with reference to the GRI Standards. | [GRI 1 used](#) GRI 1: Foundation 2021 | [GRI Sector Standard](#) GRI 14: Mining Sector 2024

General Disclosures 2021

GRI Standard/ Other Sources	Disclosure	Item	Page number(s)	Omitted		
				Items omitted	Reasons	Explanation
GRI 2: General Disclosures 2021						
1. The organization and its reporting practices						
2-1	Organizational details	Contents	1			
		Editorial Policy	3			
		SMM Group Overview	4			
2-2	Entities included in the organization's sustainability reporting	Contents	1			
		SMM Group Overview	4			
2-3	Reporting period, frequency and contact point	Contents	1			
2-4	Restatements of information	Environmental Data Rehabilitated Area	52			
2-5	External assurance	Editorial Policy	3			
		Independent Assurance Report	143			
2. Activities and workers						
2-6	Activities, value chain and other business relationships	Editorial Policy	3			
		SMM Group Overview	4			
		Sumitomo Metal Mining's Sustainability Management	8			
2-7	Employees	Social Data Number of Officers and Employees (by country and region)	100			
		Social Data Number of Officers and Employees (by age group and employee category)	101			
2-8	Workers who are not employees	Social Data Number of Officers and Employees (by age group and employee category)	101			
3. Governance						
2-9	Governance structure and composition	Social Data Number of Officers and Employees (by country and region)	100			
		Social Data Number of Officers and Employees (by age group and employee category)	101			
		Corporate Governance Framework	114			
		Decision-Making and Supervisory System	115			
4. Strategy, policies and practices						
2-22	Statement on sustainable development strategy	Message from the President	5-6			
		Sumitomo Metal Mining's Sustainability Management	8			
		Long-Term Vision	9-10			
		Vision for 2030	11			
		Sumitomo Metal Mining Group Sustainability Policy	21			

GRI Standard/ Other Sources	Disclosure	Item	Page number(s)	Omitted		
				Items omitted	Reasons	Explanation
2-10	Nomination and selection of the highest governance body	Procedures in the Nomination of Director Candidates, Appointment or Dismissal of Senior Management, and Nomination of Audit & Supervisory Board	117			
2-11	Chair of the highest governance body	Decision-Making and Supervisory System	115			
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Management Framework Decision-Making and Supervisory System	21-23 115			
2-13	Delegation of responsibility for managing impacts	Sustainability Management Framework Decision-Making and Supervisory System	21-23 115			
2-14	Role of the highest governance body in sustainability reporting	Sustainability Management Framework	21-23			
2-15	Conflicts of interest	Decision-Making and Supervisory System	115			
2-16	Communication of critical concerns	Decision-Making and Supervisory System Compliance Issues and Their Responses	115 124-125			
2-17	Collective knowledge of the highest governance body	Training Policy for Directors and Audit and Supervisory Board Members	118			
2-18	Evaluation of the performance of the highest governance body	Analysis and Evaluation of the Effectiveness of the Board as a whole, and the Results	120			
2-19	Remuneration policies	Basic Policy and Procedures for Remuneration of Directors	118			
2-20	Process to determine remuneration	Basic Policy and Procedures for Remuneration of Directors	118			
2-21	Annual total compensation ratio	Annual Total Compensation Ratios (FY2023)	119			

GRI Content Index

General Disclosure 2021/Disclosure on Material Topics

GRI Standard/ Other Sources	Disclosure	Item	Page number(s)	Omitted		
				Items omitted	Reasons	Explanation
2-23	Policy commitments	Sumitomo Metal Mining Group Sustainability Policy	21			
		The Sumitomo Metal Mining Group Policy on Human Rights	55			
2-24	Embedding policy commitments	Sustainability Management Framework	21-23			
		Penetration of Sustainability Promotion Activities	23			
		Business and Human Rights Management Framework	54			
		The Sumitomo Metal Mining Group Policy on Human Rights	55			
		In-House Education on Human Rights	56			
		Surveys on Employee Human Rights and Corrective Action	56			
		Dialogue with Indigenous Peoples	56			
		Implementation of In-House Education	57			
		Initiatives for Responsible Mineral Production and Sourcing	58			
		Initiatives Related to Sustainable Procurement	59			
		Understanding Issues through Dialogue with Local Communities	90			
2-25	Processes to remediate negative impacts	Business and Human Rights Basic Approach	54			
		Human Rights Due Diligence	55			
		Grievance Mechanism	55			
		Dialogue with Indigenous Peoples	56			
		Implementation of In-House Education	57			
		Initiatives for Responsible Mineral Production and Sourcing	58			
		Initiatives Related to Sustainable Procurement	59			
		Understanding Issues through Dialogue with Local Communities	90			
		Compliance Issues and Their Responses	124-125			
2-26	Mechanisms for seeking advice and raising concerns	Grievance Mechanism	55			
		Understanding Issues through Dialogue with Local Communities	90			
		Compliance Issues and Their Responses	124-125			
2-27	Compliance with laws and regulations	Compliance Issues and Their Responses	124-125			
2-28	Membership associations	Main Stakeholder Engagement Measures	92			
		Participation in and Declarations of Support for International Organizations	93			

GRI Standard/ Other Sources	Disclosure	Item	Page number(s)	Omitted		
				Items omitted	Reasons	Explanation
5. Stakeholder engagement						
2-29	Approach to stakeholder engagement	Dialogue with Experts, NGOs, and NPOs	57			
		Understanding Issues through Dialogue with Local Communities	90			
		SMM's Vision for Stakeholder Engagement	91			
		Main Stakeholder Engagement Measures	92			
2-30	Collective bargaining agreements	Labor-Management Relations (freedom of association and collective bargaining)	79			
		Social Data				
		Labor-Management Relations (freedom of association and collective bargaining)	110			
GRI3:Material Topics 2021						
3-1	Process to determine material topics	Sumitomo Metal Mining's Sustainability Management Vision for 2030 (Planning Process)	8			
			19			
3-2	List of material topics	Material Issues and KPIs (Indicators and Goals)	12-18			
Effective Use of Non-Ferrous Metal Resources						
GRI3:Material Topics 2021						
3-3	Management of material topics	Material Issues and KPIs (Indicators and Goals)	12-18			
		Effective Use of Non-Ferrous Metal Resources				
		Approach and Policy	25			
		Effective Use of Non-Ferrous Metal Resources				
		Management Framework	25			
301:Materials 2016						
301-1	Materials used by weight or volume	Environmental Impact of Business Activities (material flow)	47			
		Environmental Data				
		Raw Material and Energy Inputs in Business Activities	51			
301-2	Recycled input materials used	Other Recycling Initiatives	27-28			
		Environmental Impact of Business Activities (material flow)	47			
		Environmental Data				
		Percentage of Recycled Input Raw Materials Used	50			
		Environmental Data				
		Raw Material and Energy Inputs in Business Activities	51			

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Disclosures on Material Topics

GRI Standard/ Other Sources	Disclosure	Item	Page number(s)	Omitted		
				Items omitted	Reasons	Explanation
Climate Change						
GRI3:Material Topics 2021						
3-3	Management of material topics	Climate Change Approach and Policy	29			
		Climate Change Management Framework	29			
		Disclosures Pursuant to the TCFD	29-32			
201: Economic Performance 2016						
201-2	Financial implications and other risks and opportunities due to climate change	Climate Change Scenario Analysis	30			
302: Energy 2016						
302-1	Energy consumption within the organization	Environmental Impact of Business Activities (material flow)	47			
		Environmental Data Raw Material and Energy Inputs in Business Activities	51			
302-2	Energy consumption outside of the organization			a.-c.	Information not available/ sufficient	Not disclosed because the information outside of the organization is not available.
302-3	Energy intensity	Energy and GHG Emissions Intensity Indices (Reporting boundary: Smelting & Refining Business in Japan)	34			
		Environmental Data Energy and GHG Emissions Intensity Indices	50			
302-4	Reduction of energy consumption			a.-d.	Information not available/ sufficient	Not disclosed because the information for the reduction of energy consumption is not sufficient.
302-5	Reductions in energy requirements of products and services			a.-c.	Information not available/ sufficient	Not disclosed because the information for the reduction in energy requirements is not sufficient.
305: Emissions 2016						
305-1	Direct (Scope 1) GHG emissions	GHG Emissions (Scope 1 and 2)	34			
		Environmental Impact of Business Activities (material flow)	48			
		Environmental Data Greenhouse Gas (GHG) Emissions	50			

GRI Standard/ Other Sources	Disclosure	Item	Page number(s)	Omitted		
				Items omitted	Reasons	Explanation
305-2	Energy indirect (Scope 2) GHG emissions	GHG Emissions (Scope 1 and 2)	34			
		Environmental Impact of Business Activities (material flow)	48			
		Environmental Data Greenhouse Gas (GHG) Emissions	50			
305-3	Other indirect (Scope 3) GHG emissions	Scope 3 Measures	35			
305-4	GHG emissions intensity	Energy and GHG Emissions Intensity Indices (Reporting boundary: Smelting & Refining Business in Japan)	34			
		Environmental Data Energy and GHG Emissions Intensity Indices	50			
305-5	Reduction of GHG emissions	GHG Emissions (Scope 1 and 2)	34			
		Energy and GHG Emissions Intensity Indices (Reporting boundary: Smelting & Refining Business in Japan)	34			
Significant Environmental Accidents / Biodiversity						
GRI3: Material Topics 2021						
3-3	Management of material topics	Significant Environmental Accidents / Biodiversity Approach and Policy	39			
		Significant Environmental Accidents / Biodiversity Management Framework	39			
		Environmental Targets for FY2024	39			
		Environmental Management System	40			
303: Water and Effluents 2018						
303-1	Interactions with water as a shared resource	Water Use Management (Risk Management)	45			
303-2	Management of water discharge-related impacts	Discharge into Water	44			
303-3	Water withdrawal	Discharge into Water	44			
		Environmental Impact of Business Activities (material flow)	47			
		Environmental Data Water Resource Input, Water Discharge, and Water Consumption in Business Activities	51			
303-4	Water discharge	Discharge into Water	44			
		Environmental Impact of Business Activities (material flow)	48			
		Environmental Data Water Resource Input, Water Discharge, and Water Consumption in Business Activities	51			
		Environmental Data Release and Transfer of Chemical Substances in Business Activities	52			

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GRI Standard/ Other Sources	Disclosure	Item	Page number(s)	Omitted		
				Items omitted	Reasons	Explanation
303-5	Water consumption	Environmental Impact of Business Activities (material flow)	47			
		Environmental Data				
		Water Resource Input, Water Discharge, and Water Consumption in Business Activities	51			
304: Biodiversity 2016						
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environmental Data				
		Business Activities in Areas of High Biodiversity Value	52			
304-2	Significant impacts of activities, products and services on biodiversity			a.-b.	Information not available/ sufficient	Not disclosed because the information for impacts is not available.
304-3	Habitats protected or restored			a.-d.	Information not available/ sufficient	Not disclosed because the information for habitats is not sufficient.
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations			a.	Information not available/ sufficient	Not disclosed because the information for species with habitats is not sufficient.
305: Emissions						
305-6	Emissions of ozone-depleting substances (ODS)	Release Control for Chemical Substances	45			
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Emissions into the Atmosphere	43			
		Environmental Impact of Business Activities (material flow)	48			
		Environmental Data				
		Release and Transfer of Chemical Substances				
		in Business Activities	52			
306: Waste 2020						
306-1	Waste generation and significant waste-related impacts	Management of Operated Tailings Facilities	41			
		Rehabilitation	41			
		Managing Decommissioned and Closed Mines	42			
		Environmental Impact of Business Activities (material flow)	48			

GRI Standard/ Other Sources	Disclosure	Item	Page number(s)	Omitted		
				Items omitted	Reasons	Explanation
306-2	Management of significant waste-related impacts	Management of Operated Tailings Facilities	41			
		Rehabilitation	41			
		Managing Decommissioned and Closed Mines	42			
		Environmental Impact of Business Activities (material flow)	48			
306-3	Waste generated	Environmental Impact of Business Activities (material flow)	48			
		Waste by Type and Treatment Method (FY2023)	49			
306-4	Waste diverted from disposal	Waste by Type and Treatment Method (FY2023)	49			
306-5	Waste directed to disposal	Trends in Final Disposal Amount of Industrial and Mining Waste in Japan	49			
		Waste by Type and Treatment Method (FY2023)	49			
		Environmental Data Final Disposal Amount of Industrial and Mining Waste in Japan	52			
G4-Mining and Metals						
G4-MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated	Environmental Data Rehabilitated Area	52			
G4-MM2	The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place	Environmental Data Business Activities in Areas of High Biodiversity Value	52			
G4-MM3	Total amounts of overburden, rock, tailings, and sludges and their associated risks	Management of Operated Tailings Facilities	41			
		Environmental Impact of Business Activities (material flow)	48			

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GRI Standard/ Other Sources	Disclosure	Item	Page number(s)	Omitted		
				Items omitted	Reasons	Explanation
Employees' Occupational Health and Safety						
GRI3:Material Topics 2021						
3-3	Management of material topics	Employees' Occupational Health and Safety Approach and Policy	81			
		Employees' Occupational Health and Safety Management Framework	81			
		Occupational Health and Safety Policies, Targets and Plans	82			
403:Occupational Health and Safety 2018						
403-1	Occupational health and safety management system	Management Framework	81			
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403-2	Hazard identification, risk assessment, and incident investigation	Management Framework	81			
		Risk Assessments	85			
		Social Data Identification of Hazard Sources, Risk Assessment, and Accident Investigation (2023)	99			
403-3	Occupational health services	Social Data Services, Education and Training Related to Occupational Health and Safety (2023)	99			
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety Committees	82			
		Labor-Management Agreements to Improve the Level of Occupational Health and Safety	80			
403-5	Worker training on occupational health and safety	Implementation of Occupational Health and Safety Education	86			
		Education in Hands-on Training Facilities	86			
		Social Data Services, Education and Training Related to Occupational Health and Safety (2023)	99			
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety Committees	82			
		Social Data Identification of Hazard Sources, Risk Assessment, and Accident Investigation (2023)	99			
403-8	Workers covered by an occupational health and safety management system	Social Data Occupational Health and Safety Management System	98			

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				Items omitted	Reasons	Explanation
403-9	Work-related injuries	Social Data Work-Related Incidents	96			
		Social Data Work-Related Incidents (2023 results)	96			
403-10	Work-related ill health	Social Data Work-Related Ill Health	97			
		Social Data Work-Related Ill Health (2023 results)	97			
Diverse Human Resources / Development and Participation of Human Resource						
GRI3:Material Topics 2021						
3-3	Management of material topics	Diverse Human Resources / Development and Participation of Human Resources				
		Approach and Policy	60			
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		Human Resource Strategy	61			
		Human Resource Development	61			
		Diversity, Equity & Inclusion Approach	70			
		Maintaining and Improving Employees' Health	73			
202: Market Presence 2016						
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Social Data Standard Entry-level Salary to Regional Minimum Wage	109			
401: Employment 2016						
401-1	New employee hires and employee turnover	Social Data New Hires and Departures (by hiring type and reason for departure)	102			
		Social Data New Hires and Departures (by region)	103-105			

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				Items omitted	Reasons	Explanation
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Utilization of Human Resources (work style reform and the creation of workplaces where diverse human resources can play active roles) Creation of Workplaces Where Diverse Human Resources Can Play Active Roles (initiatives and development of systems) Long-Term Incentives and Rewards System for Employees	66 78			
401-3	Parental leave	Utilization of Human Resources (work style reform and the creation of workplaces where diverse human resources can play active roles) Development of Support Systems for Balancing Work and Child-Rearing and Nursing Care Social Data Creating Workplaces Where Diverse Human Resources Play Vibrant and Active Roles	66 107			
402: Labor/Management Relations 2016						
402-1	Minimum notice periods regarding operational changes	Labor-Management Relations (freedom of association and collective bargaining)	79			
403: Occupational Health and Safety 2018						
403-6	Promotion of worker health	Maintaining and Improving Employees' Health Maintaining and Improving Employees' Health Sumitomo Metal Mining Group Health and Productivity Management Framework Maintaining and Improving Employees' Health Health and Productivity Management Plan Maintaining and Improving Employees' Health Addressing Mental Health Care Maintaining and Improving Employees' Health Illness Prevention and Health Promotion Initiatives Social Data Addressing Mental Health Care Social Data Illness Prevention and Health Promotion Initiatives	73 74 74 74 75 76 109 109			

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				Items omitted	Reasons	Explanation
404: Training and Education 2016						
404-1	Average hours of training per year per employee	Social Data Time Spent on and Investment in Employee Education	105-106			
404-2	Programs for upgrading employee skills and transition assistance programs	Human Resource Development Utilization of Human Resources (work style reform and the creation of workplaces where diverse human resources can play active roles) Diversity, Equity & Inclusion Initiatives toward Gender Balance (women's active engagement)	61-64 69 70			
404-3	Percentage of employees receiving regular performance and career development reviews				Information not available/sufficient	Not disclosed because the information for percentage of employees receiving reviews is not sufficient.
405: Diversity and Equal Opportunity 2016						
405-1	Diversity of governance bodies and employees	Diversity, Equity & Inclusion Social Data Gender Balance (women's active engagement) Increase in Foreign Employees Measures to Raise Understanding of Sexual Minorities (LGBTQ+) Social Data Number of Officers and Employees (by country and region) Social Data Number of Officers and Employees (by age group and employee category) Promotion of Employment for People with Disabilities Social Data Promoting Employment of People with Disabilities	70 108 73 73 100 101 72 109			
405-2	Ratio of basic salary and remuneration of women to men	Diversity, Equity & Inclusion Initiatives toward Gender Balance (women's active engagement) Social Data Gender Balance (women's active engagement)	70 108			

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406: Non-discrimination 2016						
406-1	Incidents of discrimination and corrective actions taken	Compliance Issues and Their Responses	124-125			
407: Freedom of Association and Collective Bargaining 2016						
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Labor-Management Relations (freedom of association and collective bargaining) Dialogue between Labor and Management (overseas)	79 80			
G4-Mining and Metals						
G4-MM4	Number of strikes and lock-outs exceeding one week's duration, by country	Labor-Management Relations (freedom of association and collective bargaining)	79			
Co-Existence and Mutual Prosperity with Local Communities						
GRI3:Material Topics 2021						
3-3	Management of material topics	Co-Existence and Mutual Prosperity with Local Communities Approach and Policy Co-Existence and Mutual Prosperity with Local Communities Management Framework	87 87			
202: Market Presence 2016						
202-2	Proportion of senior management hired from the local community	Social Data Percentage of Locally-Hired Senior Managers	111			
203: Indirect Economic Impacts 2016						
203-1	Infrastructure investments and services supported	Social Data Investment in Infrastructure and Support Services (cost of social contribution activities)	110			
203-2	Significant indirect economic impacts	Understanding Issues through Dialogue with Local Communities	90			
204: Procurement Practices 2016						
204-1	Proportion of spending on local suppliers	Social Data Percentage of procurement from local suppliers and percentage of employees hired locally	110			
413: Local Communities 2016						
413-1	Operations with local community engagement, impact assessments, and development programs			a.	Information not available/sufficient	Not disclosed because the information for operations is not sufficient.

GRI Standard/ Other Sources	Disclosure	Item	Page number(s)	Omitted		
				Items omitted	Reasons	Explanation
413-2	Operations with significant actual and potential negative impacts on local communities	Community Engagement by the Resources Business	90			
G4-Mining and Metals						
G4-MM7	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and indigenous peoples, and the outcomes	Dialogue with Indigenous Peoples	56			
G4-MM9	Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process	Community Engagement by the Resources Business	90			
G4-MM10	Number and percentage of operations with closure plans	Mine closure plan/Smelter closure and processing plan	110			
Engagement with Stakeholders						
GRI3:Material Topics 2021						
3-3	Management of material topics	Engagement with Stakeholders Approach and Policy Engagement with Stakeholders Management Framework	91 91			
Rights of Indigenous Peoples / Human Rights in the Supply Chain						
GRI3:Material Topics 2021						
3-3	Management of material topics	Business and Human Rights Basic Approach Business and Human Rights Management Framework Human Rights Due Diligence Rights of Indigenous Peoples Approach and Policy Human Rights in the Supply Chain Approach and Policy	54 54 55 56 58			

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Supplier Environmental Assessment 2016						
308-1	New suppliers that were screened using environmental criteria	Initiatives for Responsible Mineral Production and Sourcing		a.	Information not available/ sufficient	Information concerning the proportion of new suppliers is incomplete and therefore is not disclosed.
308-2	Negative environmental impacts in the supply chain and actions taken	Initiatives Related to Sustainable Procurement	59			
408: Child Labor 2016						
408-1	Operations and suppliers at significant risk for incidents of child labor	Dialogue between Labor and Management (overseas)	80			
409: Forced or Compulsory Labor 2016						
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Dialogue between Labor and Management (overseas)	80			
411: Rights of Indigenous Peoples 2016						
411-1	Incidents of violations involving rights of indigenous peoples	Dialogue with Indigenous Peoples	56			
414: Supplier Social Assessment 2016						
414-1	New suppliers that were screened using social criteria	Initiatives for Responsible Mineral Production and Sourcing		a.	Information not available/ sufficient	Information concerning the proportion of new suppliers is incomplete and therefore is not disclosed.
414-2	Negative social impacts in the supply chain and actions taken	Initiatives Related to Sustainable Procurement	59			
G4-Mining and Metals						
G4-MM5	Total number of operations taking place in or adjacent to indigenous peoples' territories, and number and percentage of operations or sites where there are formal agreements with indigenous peoples' communities	Dialogue with Indigenous Peoples	56			

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				Items omitted	Reasons	Explanation
G4-MM6	Number and description of significant disputes relating to land use, customary rights of local communities, and indigenous peoples	Dialogue with Indigenous Peoples	56			
G4-MM7	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and indigenous peoples, and the outcomes	Community Engagement by the Resources Business	90			
G4-MM8	Number (and percentage) of company operating sites where artisanal and small-scale mining (ASM) takes place on, or adjacent to, the site; the associated risks and the actions taken to manage and mitigate these risks	Initiatives for Responsible Mineral Production and Sourcing	58			
201: Economic Performance 2016						
201-1	Direct economic value generated and distributed	Social Data Economic Performance	111			
201-3	Defined benefit plan obligations and other retirement plans	Social Data Economic Performance	111			
201-4	Financial assistance received from government	Social Data Economic Performance	111			
205: Anti-corruption 2016						
205-1	Operations assessed for risks related to corruption	Initiatives on Preventing Corruption	126			
205-2	Communication and training about anti-corruption policies and procedures	Compliance Issues and Their Responses	124-125			
205-3	Confirmed incidents of corruption and actions taken	Compliance Issues and Their Responses	124-125			
206: Anti-competitive Behavior 2016						
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Compliance Issues and Their Responses	124-125			

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207: Tax 2019						
207-1	Approach to tax	Tax Governance Approach and Policy Initiatives for Tax-Related Compliance	128			
207-2	Tax governance, control, and risk management	Compliance Issues and Their Responses Tax-Related Decision Making and Management and Implementation Framework Initiatives for Tax-Related Compliance	124-125 129 129			
207-3	Stakeholder engagement and management of concerns related to tax	Tax-Related Information Collection and Initiatives Involving Government, etc.	129			
207-4	Country-by-country reporting	Social Data Economic Performance	111			
416: Customer Health and Safety 2016						
416-1	Assessment of the health and safety impacts of product and service categories	Products and Services Information Disclosure	135			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Compliance Issues and Their Responses	124-125			
417: Marketing and Labeling 2016						
417-1	Requirements for product and service information and labeling	Information on SMM Products Requiring Disclosure by Labeling and Applicable Products/Services	136			
417-2	Incidents of non-compliance concerning product and service information and labeling	Compliance Issues and Their Responses Information on SMM Products Requiring Disclosure by Labeling and Applicable Products/Services	124-125 136			
417-3	Incidents of non-compliance concerning marketing communications	Compliance Issues and Their Responses	124-125			