



March 23, 2023

NEWS RELEASE

On the introduction of an internal carbon pricing system

Mitsui Kinzoku (President: NOU Takeshi) announces that it has decided to introduce an internal carbon pricing system (ICP system) by setting a price on CO₂ within Mitsui Kinzoku, converting emissions into a cost, and referencing that when determining on equipment and development investments.

The Mitsui Kinzoku Group set the following medium- to long-term CO₂ reduction targets in March 2022 and is instituting a variety of initiatives to achieve them.

- Medium-term CO₂ emissions reduction target:

Reducing CO₂ emissions by 38% (compared to the FY2013 level) globally by FY2030

- Long-term CO₂ emissions reduction target

Achieving carbon neutrality (net zero emissions) by FY2050

- For both targets, “CO₂ emissions” are CO₂ emissions from energy consumption in Mitsui Kinzoku’s manufacturing processes.
- The situation regarding Scope3* emissions is currently under investigation and will be subject to future target setting

The decision to introduce the ICP system was made to further accelerate the initiatives introduced to date.

Moreover, the internal carbon prices were determined after identifying CO₂ emission reduction measures, holding strategic discussions based on TCFD scenario analysis, and taking into comprehensive account the external environment relating to climate change, etc.

[Overview of the Mitsui Kinzoku Group's ICP system]

Internal carbon pricing	Scope 1: 30,000 yen/t-CO ₂ Scope 2: 20,000 yen/t-CO ₂ *The price for Scope 1 is set higher than for Scope 2 in order to further promote measures for Scope 1, for which reductions are more critical and challenging.
Applicable Objectives	Equipment and development investments accompanying changes in CO ₂ emissions
Implementation	Internal carbon pricing is implemented for CO ₂ emissions from planned equipment and development investments, where conversion to cost is referenced in the decision-making
Effective date	April 1, 2023

We intend to increase awareness within Mitsui Kinzoku by implementing the “Company-Wide Road Map to Carbon Neutrality in 2050” that utilizes this ICP system as a way to promote low-carbon investment and climate change countermeasures.

We will contribute to the realization of a sustainable society by implementing our vision for 2030, “Building new businesses — and the future — with our material intelligence,” based on our purpose, “We promote the well-being of the world through a spirit of exploration and diverse technologies.”

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[Description of Terms]

About Scope 1 + Scope 2 + Scope 3

Scope1 : Direct greenhouse gas emissions from the business operator itself

Scope2 : Indirect greenhouse gas emissions from the use of electricity, heat, and steam, which are supplied from other companies

Scope3 : Indirect greenhouse gas emissions, which does not fall under Scopes 1 and 2 (emission from other companies associated with the activities of the reporting company)

Cited from the MOE Green Value Chain Platform

https://www.env.go.jp/earth/ondanka/supply_chain/gvc/supply_chain.html