

Mitsui Kinzoku Group Sustainability Initiatives

In line with the materiality review (P18-19), we have compiled new commitments, targets (KPIs), and annual plans for each initiative. We have changed the title of this list from "Progress of Materiality" to "Sustainability Initiatives".

* Since the cells marked with "—" are new items identified by the materiality review, there is no plan for FY2020.
* We have changed some plans for FY2020 from the Integrated Report 2020.

Item	Plans for FY2020	Performance in FY2020 and self assessment	[Assessment standards] △: Not achieved as planned ○: Achieved as planned ◎: Achieved more than planned	Commitment (FY2024)	Related SDGs	Targets (KPIs)	Plans for FY2021
<p>CSV standards (opportunities): Environmental and social standards of products</p> <p>The environmental contribution products system</p> <p>Materiality: Business Opportunities (CSV)</p> <p>01 Market co-creation 02 Material cycling 03 Response to CASE</p>	<p>- Set internal standards for LCA - Start training Life Cycle Assessment practitioners</p> <p>(Details are listed on P.24-25) (Details are listed on P.30-31) (Details are listed on P.32-33)</p>	- Conducted as planned	○	Ensure voluntary entries for the system from business units each fiscal year	G9·G11·G12·G13	Make the system work in full-scale	- LCA trial - Start running the system
<p>ESG risk management frameworks</p> <p>The environmental and safety management systems</p>	—	—	—	Continuously improve the management systems in accordance with ISO standards	G8·G9	1. Continuously operate and update the ISO management system at major manufacturing sites 2. Operate and improve the internal management system in accordance with ISO at small and non-manufacturing sites	1. Monitor and improve the management system at major manufacturing sites based on our related policies 2. Disseminate important points of the management system to small and non-manufacturing sites
Human rights due diligence	- Human rights DD at affiliated sites (7 in Japan and 1 overseas)	- Conducted as planned	○	Conduct human rights DD based on the human rights policy, identify risks, and implement effective measures	G1·G4·G5·G8·G10·G11·G16	1. Complete human rights DD for 85% of 56 manufacturing & development sites and affiliated companies which are closely related to those sites 2. Review survey results and improve the survey items	1. Conduct human rights DD at 6 affiliates (3 in Japan and 3 overseas) 2. Improve the questionnaire based on the results of human rights DD and updates of the RBA Code of Conduct
Supply chain management	1. Implement supplier SAQ to meet the medium- to long-term target of the 1 st cycle 2. Engage C-ranked suppliers and take corrective actions - Analyze SAQ assessment results and assess risks - Set medium- to long-term targets for FY21-24 - Request suppliers to implement procurement policy and obtain signed agreement form - Introduce new criteria for supplier selection	1. Critical supplier SAQ implementation rate 92% 2. Conducted as planned - One C-ranked supplier	△ (The medium- to long-term target) ○	Effectively implement supplier DD to reduce critical risks in the supply chain	G1·G8·G12·G16	1. Achieve the 100% annual SAQ implementation rate for the target suppliers 2. Achieve the 100% engagement rate for corrective actions with C-ranked suppliers	1. Have target suppliers identified through risk assessment complete SAQ (Details are listed on P.55) 2. Take corrective actions for the C-ranked during the first cycle
Mining business management	1. Identify initiatives linked to materiality 2. Review the FY19 survey results for mines with a capital ratio of >50%, consider corrective actions, and conduct a survey	1. Conducted as planned. Formulated the Sustainability Action Plan for Mining Business 2. Conducted as planned	○	Reduce ESG risks specific to the mining business through appropriately managing materiality items	G3·G4·G6·G7·G8·G9·G12·G13·G15·G16	1. Implement the Sustainability Action Plan for Mining Business at mining sites (including closed mines) 2. Survey the operating mines with a capital ratio of >50% about human rights and environmental risk of mining business	1. Check the progress of FY21 initiatives and follow up on them. Verify the plan for the next fiscal year 2. Review FY20 survey results and consider corrective actions
<p>Materiality: ESG risk (Environment)</p> <p>04 GHG emissions</p>	1. Initiate TCFD efforts - Discuss governance structure for climate action 2. Consider expanding Scope 3 priority categories 3. Gather information on forest offsetting	1. Conducted as planned - Started in the metal business - Set up Climate action team 2. Conducted as planned 3. Conducted as planned	○	Remain on track to achieve a 26% reduction in GHG emissions by FY30	G13	1. Scope 1,2: Follow reduction targets 2. Scope 3: Reduce emissions in the priority categories 3. Initiate forest offsetting activities	1. Internally deploy TCFD scenario analysis - Disclose TCFD-related information - Incorporate GHG reduction targets into the 22 Medium-Term Management Plan 2. Formulate a medium- to long-term climate action policy including priority categories and reduction measures of GHG emissions 3. Explain about forest offsetting to internal stakeholders and find out about collaborating organization
05 Energy management	1. Monitor the operation of renewable energy facilities 2. Plan new renewable energy generation projects	1. Conducted as planned 2. Conducted as planned. Considered hydroelectric and solar power, and decided on one hydroelectric project	○	1. Investigate the potential for utilizing renewable energy and promote its introduction 2. Further deepen energy conservation by utilizing unused energy (e.g. waste heat)	G7·G9	1. 100% survey of new utilization of renewable energy 2. 100% survey on the potential of unused energy at sites in Japan	1. Survey available land (e.g. vacant land, roofs, water surface) - Disseminate our initiatives and the significance of renewable energy among employees and sites - Investigate the possibility of using renewable energy and cross using among sites 2. Technological study of unused energy

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06 Water management	1. <ul style="list-style-type: none"> - Identify the amount of water withdrawn by water sources - Research impacts of business on the water sources at each site - Aggregate the amount of water recycled and reused - Initiate setting management targets of major manufacturing sites 2. <ul style="list-style-type: none"> - Identify the amounts of emissions and upper limit regulations by destination and the quality of discharged water - For major sites that have environmental impacts by wastewater, initiate setting management targets for mitigating them according to regional circumstances 	1. Conducted as planned <ul style="list-style-type: none"> - Sites in Japan and overseas - Sites in Japan. Overseas sites in FY21 - Discussed management targets 2. Conducted as planned <ul style="list-style-type: none"> - Discussed management targets 	○		1. Assess water stress at each site, optimize water withdrawn, and minimize consumption 2. Ensure safe treatment of wastewater	G6	1. Reduce water consumption according to the result of the water stress assessment 2. Zero discharge of untreated wastewater into public waters (excluding clean spring water, unpolluted storm water, and discharge to sewerage system)	1. Identify major sites to be prioritized through the water stress assessment and start planning 3R 2. Monitor the latest laws and regulations and technological trends related to water quality control of discharged water, and if necessary, initiate to improve operations and facilities
07 Waste and hazardous materials	<ul style="list-style-type: none"> - Consider setting targets and/or improving the ratio of recycled materials at major manufacturing sites that use recycled materials - Initiate setting targets for reducing the amount of waste or consider setting additional waste reduction targets at major sites 	<ul style="list-style-type: none"> - Conducted as planned 	○		1. Strive to reduce using hazardous chemical substances and treat them appropriately, and minimize their release into the environment 2. Play a role in a resource-cycling society by using recycled materials and reducing waste at each business unit	G12	1. Hazardous chemical substances <ul style="list-style-type: none"> - Identify the amount of emissions and transfers at each major site and set reduction targets 2. Promote recycling and waste reduction <ul style="list-style-type: none"> - Identify the final disposal volume of waste (not utilized in 3R and thermal recycle) at major sites, and set reduction targets - Identify the ratio of recycled materials and set targets, or improve the ratio at each site - Select good waste disposal companies, and confirm they treat properly 	1. Identify the amount of hazardous chemical substances emitted and transferred at target sites, and decide substances to manage with priority and possible reduction measures (substitution, process improvement) 2. <ul style="list-style-type: none"> - Share Group's good practices of the effective use of waste (3R and thermal recycle) - Continuously aggregate the ratio of recycled materials and if possible, set targets or initiate to improve the ratio
08 Impacts on biodiversity	<ul style="list-style-type: none"> - Aggregate the survey results of current issues and initiatives at each site - Create action plans by referring to internal and external good practices and guide materials - Protect rare species in the development areas (Peru/Huanzala Mine) 	<ul style="list-style-type: none"> - Conducted as planned 	○		1. Identify impacts of our business activities on biodiversity and prevent environmental damage 2. Effort to restore or offset the ecosystem where we directly developed or we use indirectly	G14•G15	1. Evaluate the impacts on ecosystems at sites and implement countermeasures 2. Offset the ecosystem services used directly or indirectly	1. Conduct assessment about impacts on ecosystems by referring to information provided by public institutions and citizen groups in each region 2. <ul style="list-style-type: none"> - Plan and manage the progress of planting or other restoration on developed land - Develop a list of offset that we can support and participate in
Materiality: ESG risks (Social) 09 Health and safety	<ul style="list-style-type: none"> - Establish a lockout system - Promote intrinsic safety and enhance management systems to reduce risks leading to serious disasters - Thoroughly implement intrinsic safety and preventive management to avoid repeated accidents 	<ul style="list-style-type: none"> - Confirmed the operation status of the lockout system at each site by the safety and environment audit - Evaluated the potential for serious disasters based on disaster information and shared statistical data with each business unit - Shared information on repeated accidents and discussed countermeasures 	△		1. Maintain a safe, hygienic, and healthy work environment where all employees can work worry free 2. Eliminate serious accidents	G8	1. Safe, hygienic, and healthy workplace <ul style="list-style-type: none"> - Reduce the number of accidents resulting in no lost time or more <30 - Reduce the number of occupational accidents/diseases <10. Especially for new (<3 years of employment), young (<25 years old), elderly (>55 years old) employees and employees from foreign countries 2. Eliminate serious accidents <ul style="list-style-type: none"> - Reduce to zero: the number of serious accidents (fatal accidents) - Reduce to zero: the number of accidents that cause irreversible physical sequelae - Hazard simulation training 	1. <ul style="list-style-type: none"> - Prioritize unskilled workers to participate in hazard awareness training - Test the monitoring of physical condition using biometric sensors - Workplace surveys - Create training materials and work manuals in multiple languages 2. <ul style="list-style-type: none"> - Expand the sources of hazards covered by the lockout system (residual energy, chemical systems) - Identify hazardous sources of facilities and operations to be removed, substituted, and isolated - Select and install VR equipment
10 Human rights	1. Develop detailed regulations on Mitsui Kinzoku Group Human Rights Standards 2. Implement human rights training at Japan and the Southeast Asian sites	1. Discussed detailed regulations 2. Conducted some trainings	△		Implement the Group's mitigation measures for human rights risks identified in human rights DD	G1•G4•G5•G8•G10•G11•G16	1. Based on the results of human rights DD, identify priority theme and formulate policies/procedures 2. Design a human rights training program that includes the policies/procedures, and deploy it within the Group	Review the results of human rights DD, identify new issues and develop individual policies/procedures

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11 Fair business practices	<ul style="list-style-type: none"> - Prepare to roll out anti-bribery agreements at Vietnam sites - Training on fair business practices (the Subcontract Act) (Web) - Legal document audits and follow-up 	<ul style="list-style-type: none"> - Conducted as planned 	○		Establish a global anti-bribery system and a PDCA cycle for fair business practices	G16	All Group employees are aware of the prohibition of bribery and fair business practices	<ul style="list-style-type: none"> - Anti-bribery agreement (Complete in Vietnam, initiate in Indonesia and Malaysia) - Training on fair business practices (Antimonopoly Act and Subcontract Act), include CSR provisions to contract forms - Legal audits and follow-up 	
Materiality: ESG risks (Governance)									
12 Governance	<ol style="list-style-type: none"> Enhance corporate governance <ul style="list-style-type: none"> - Make changes to Systems for Ensuring Appropriate Business Operations - Add outside auditors to the Compensation Committee and the Nomination Review Committee - Evaluate the effectiveness of the Board of Directors by an independent organization - Prepare for a risk survey (e.g. risk survey sheet) Compliance system <ul style="list-style-type: none"> - Review the whistle-blowing system (establish multiple lines to enhance responses to critical issues and cooperation with the Internal Audit Dept. and Corporate Auditors) - Compliance training for senior management and training by ranks (Web) ICT governance <ul style="list-style-type: none"> - Establish detailed regulations for ICT use and security - Appoint persons in charge of information management - Establish an information management system at the Engineered Materials Sector and the Business Creation Sector - Establish SOC (Japan) - Establish CSIRT and start its operation - Risk assessment of company-wide common infrastructure 	<ol style="list-style-type: none"> Conducted as planned <ul style="list-style-type: none"> - Independence ensured - Revised Risk Management Rules Conducted as planned Conducted as planned <ul style="list-style-type: none"> - Sites in Japan and one overseas site - The system of one site 	<ul style="list-style-type: none"> ○ ○ ◎ 			<ol style="list-style-type: none"> Enhance corporate governance <ul style="list-style-type: none"> - Establish a system that the Board of Directors effectively supervises the initiatives for medium- and long-term issues by the execution - Regular risk assessment to enhance the risk management function Compliance system <ul style="list-style-type: none"> - Reinforce a compliance system at all sites - Operate the whistle-blowing system for internal and external stakeholders ICT Governance <ul style="list-style-type: none"> - Establish an information management system in all sectors Information disclosure and transparency <ul style="list-style-type: none"> - Establish a management system for information disclosure 	G16	<ol style="list-style-type: none"> Share information on the status of initiatives for the medium- and long-term issues and ensure timely and appropriate discussions of issues at the Board of Directors <ul style="list-style-type: none"> - Establish a risk management system to identify risks, formulate countermeasures and evaluate them on an annual basis Ensure that all Group employees are aware of compliance Minimize the risk of information leaks due to management weakness Establish disclosure standards and a prompt and fair information disclosure system 	<ol style="list-style-type: none"> Appoint Chairman of the Board of Directors and CEO separately, appoint a female director <ul style="list-style-type: none"> - Respond to the revised CG Code - Evaluate the effectiveness of the Board of Directors - Risk assessment at all sites and create a risk map Promote compliance in Indonesia <ul style="list-style-type: none"> - Compliance awareness survey for employees - Compliance training Build information management system in business units/affiliates <ul style="list-style-type: none"> - Establish SOC (overseas) - Risk assessment at each site Check the current disclosure process and identify issues
Initiatives supporting the progress of the materiality (Capitals for value creation)									
Human capital									
Diversity	<ol style="list-style-type: none"> Establish a task force to review the personnel system Create a workplace where diverse human resources can continue to work <ul style="list-style-type: none"> - Enhance the recruitment seminars for women and international students - Initiate building a management system for expanding job range of female employees and check the initiatives - Introduce a special leave of absence system for spouse transfers, a comeback system, and a telework system Diverse and inclusive workplace <ul style="list-style-type: none"> - Establish a diversity promotion website and disseminate information on a regular basis - Formulate a systematic diversity training plan - Conduct Group-wide unconscious bias training 	<ol style="list-style-type: none"> Conducted as planned. Task force for promoting work style reform discussed each measure Conducted as planned Conducted as planned <ul style="list-style-type: none"> - Due to technical reasons, the launch of the website was postponed 	<ul style="list-style-type: none"> ○ ○ ○ 		Realize a corporate Group in which diverse human resources demonstrate their abilities	G4·G5·G8	<ol style="list-style-type: none"> Change the personnel system so that diverse human resources demonstrate their abilities, regardless of age, gender, or other personal attributes Create a workplace in which diverse human resources can continue to work <ul style="list-style-type: none"> - By 2024, increase the percentage of newly hired female employees in Japan to 20% or more, and increase the percentage of female managers to 5% or more - Establish systems to support work-life balance, and disseminate them to employees - Increase the percentage of taking maternity leave for their spouses to 50% or more Establish an internal dissemination system, and share information on a regular basis, and introduce the systematic diversity training plan 	<ol style="list-style-type: none"> Design the human resources system and provide briefing sessions Continue recruitment seminars for women and international students <ul style="list-style-type: none"> - Build a management system for expanding job range of female employees and check the initiatives - Examine systems for work-life balance and make them known to employees Training for realizing a diverse and inclusive workplace 	
Health management	<ul style="list-style-type: none"> - Integrate employees' health data management and utilize it - Use stress checks to improve the workplace environment to prevent mental health problems 	<ul style="list-style-type: none"> - Conducted as planned. Installed the system - Conducted as planned 	<ul style="list-style-type: none"> ○ 		Support realizing a workplace and physical and mental health for all employees to work at the forefront as they age	G3·G8	<ol style="list-style-type: none"> Preventive measures for mental and physical health risks: maintain and raise health literacy <ul style="list-style-type: none"> - Reduce the ratio of high-stress employees to the average ratio reported by the research company by the end of FY24 - Raise and maintain the Group's specific health guidance implementation rate to 20% or more by the end of FY24 Measures for high-risk/high-stress employees: Introduce a system to support the balancing of treatment and work 	<ol style="list-style-type: none"> Disseminate the health commitment both internally and externally <ul style="list-style-type: none"> - Establish an operational system for the health management - Provide feedback on stress check results to each workplace, select priority workplaces, conduct hearings, and support improving - Check the training and events conducted at each site, and consider expanding them to the entire company - Mental health training at all sites - Review the target for the specific health guidance implementation rate Examine systems to support the balancing of treatment and work 	

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Human resources development	1. <ul style="list-style-type: none"> - Plan career training and prepare to implement the training - Prepare to launch a career support website for employees - Examine systems for autonomous career development - Train career consultants - Respond to COVID-19, switch from Group training to web-based training, and verify the learning platform - Trial ICT training for new employees - SDGs training for general managers - Training for business creation at research institutes 2. <ul style="list-style-type: none"> - Expand the scope of selective training to include national staff - Support establishing a training system at sites in China 	1. Conducted as planned 2. Conducted as planned	○		Strengthen the human resource base of the entire Group for value creation through developing employees who have their own will	G4•G8	1. Develop training measures to cultivate and respect employees' wills <ul style="list-style-type: none"> - Build a system for employees' autonomous career development - Provide contents that incorporate sustainability - Implement Group-wide ICT training for ICT literacy 2. Continue to open each training program to Group-wide employees of affiliates and national staff, enhance the contents, and provide equal learning opportunities	1. Review a human resource development system in line with the new personnel system <ul style="list-style-type: none"> - Conduct career training, open career web site - Discuss the system for autonomous career development - Continue to develop career consultants - Expand the SDGs workshop and provide education on integrated thinking-based Management - Plan Group-wide ICT education 2. <ul style="list-style-type: none"> - Improve the training plan for national staff - Support local training in China
Intellectual capital Intellectual property	<ul style="list-style-type: none"> - Support research on new businesses - Apply for patents with high infringement probability - Continuously implement and improve IP training (for teleworkers) - Stably operate the IP management system during telework 	<ul style="list-style-type: none"> - Conducted as planned - Conducted as planned. Percentage of applications for patents with high probability of infringement was equal to or higher than the previous year - Conducted as planned. Objective specific training (Web) - Conducted as planned. Went paperless, established a system for remote management 	○		1. Acquire intellectual property and protect technologies to support business and new initiatives related to environment and energy 2. Build a system for intellectual property activities 3. Develop human resources through intellectual property education that matches the type of job and job class	G4•G9	<ul style="list-style-type: none"> - The number of applications for each business unit should be equal to or greater than that of the previous year. Increase the number of departments that use time stamps - Maintain the number of IP specialists assigned to each department - Implement 100% of planned in-house training 	<ul style="list-style-type: none"> - Continue and improve support for new business research - Pre-survey on the 2022 Medium-Term Management Plan themes related to carbon neutral, energy creation - Promote applications related to the material cycling and CASE - Continuously implement and improve IP education (Web) - Study and promote introducing DX for IP management and research
Quality assurance	1. Establish a compliance system in line with the Mitsui Kinzoku Group Quality Assurance Guidelines (QAGL)	1. Conducted as planned. Enabled self-checks, conducted internal quality compliance audits (Japan), started preparing for QAGL deployment (overseas)	○		Contribute to society and customers by optimizing the quality of products and services 1. Maintain a compliance system in line with the QAGL 2. Provide customers and society with information on product functions, costs, health and safety, and sustainability (e.g. environmental and social impacts) 3. Start design and development considering function, cost, health and safety, and sustainability 4. Disclose the status of initiatives annually	G3•G6•G8•G9•G12	1. Establish and operate a system for evaluation using the QAGL check sheet at target sites in Japan and overseas: 100% 2. All business units conduct evaluations using the "Information Provision Check Sheet" and implement guidelines: 100% 3. Evaluate all products and services using the Product and Service Design and Development Check Sheet: 100% 4. Disclose the initiatives through the Integrated Report and the website (once a year)	1. Establish a system and confirm through audits (Japan) <ul style="list-style-type: none"> - Disseminate QAGL (overseas) 2. <ul style="list-style-type: none"> - Research relevant laws and regulations in each country - Develop information provision guidelines and check sheets 3. Support establishing the environmental contribution product system and participate in its operation 4. Disclose initiatives 1-3 on the integrated report and our website
Social and relationship capital Community engagement	<ul style="list-style-type: none"> - Promote green procurement for office supplies at headquarters 	<ul style="list-style-type: none"> - Conducted as planned 	○		1. Continue current social activities and brush them up through engagement 2. Promote volunteer activities by employees 3. Contribute to sustainable consumption	G12•G13•G17	1. Initiate engagement 2. Provide a platform for volunteer activities 3. <ul style="list-style-type: none"> - Use locally produced foods at cafeterias and in-house stores at the sites - Implement measures to reduce food loss in the cafeterias and the in-house stores - Switch office supplies to green procurement 	1. Survey the actual status of engagement using internal questionnaire 2. Research on possible volunteer activities 3. <ul style="list-style-type: none"> - Survey the actual status of sustainable consumption at each site - Conduct a briefing session on sustainable consumption at each site