

Supply chain management

Mitsui Kinzoku Group believes that it is imperative to establish resilient supply chains in order to fulfill its responsibility for supplying products while increasing the Group's sustainability. Strong supply chains are also essential to the sustainability of society. Thus, we are promoting sustainability initiatives in cooperation with our business partners, endeavoring to reduce adverse impacts of supply chains on society and the environment as well as creating social and environmental value.

Responsibility for our supply chain

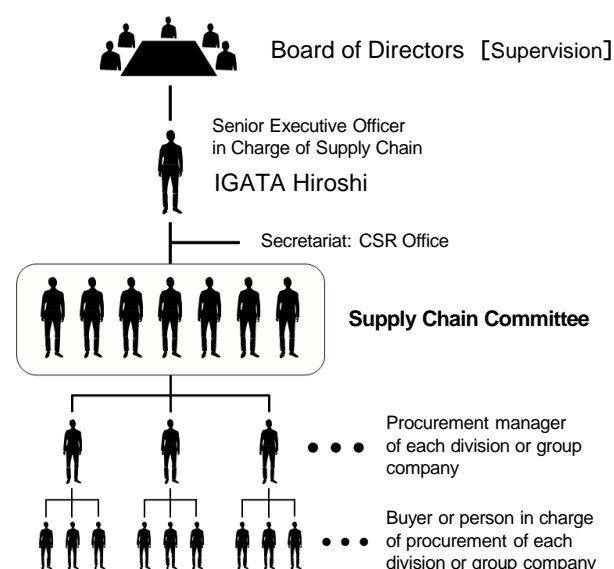
Mitsui Kinzoku Group recognizes that the impact of its business activities extends throughout the value chain. In particular, we believe that negative social and environmental impacts in our supply chain may pose risks for our business. We will fulfill our responsibility by implementing initiatives for sustainability in the supply chain according to the globally recognized codes and guidance such as the United Nations Global Compact, and requests from our stakeholders.

We have formulated the Mitsui Kinzoku Group procurement policy in which we declare to fulfill legal compliance and our social responsibilities in human rights and labor, health & safety, ethics, and on the environment in our supply chain. The procurement policy consists of the basic procurement policy as our commitment and the procurement guidelines that gives specific instructions for executing the policy. The guidelines follow the objectives of the RBA*¹ Code of Conduct.

We have established a group-wide supply chain management system to manage risks and to implement our procurement policy in our supply chain. The senior executive officer in charge of our procurement is appointed as the person with the highest responsibility for our supply chain. The Supply Chain Committee of the Group has been organized, which consists of the representatives of each department.

We report to the Board of Directors once a year on the activities including responsible minerals sourcing and the status of risk management in principle. We also timely share the latest trends in supply chain management with the board of directors/the executive officers through training programs for them.

Also, we have a grievance mechanism in place to receive reports from our employees, suppliers and other internal and external stakeholders as needed (P.66 Compliance "Internal and external whistle-blowing system"). In FY2022, we received no reports on risks associated with our supply chain.



Supply chain due diligence

We have conducted supplier due diligence as part of our supply chain management, aiming to identify and address risks in our supply chain.

Within the Group, we hold SCM trainings for all employees including procurement and sales personnel to ensure that they put our procurement policy into practice. We also evaluated implementation of the procurement policy in the framework of the internal human rights due diligence.

As for our supply chain, we request our tier 1 suppliers to implement the procurement policy and to manage their own suppliers. In addition, for the critical suppliers*² that have been evaluated as having a particularly large impact on the Group's business, we request that they submit their signed agreement forms to the policy and complete SAQ (Self-Assessment Questionnaire) consisting of 50 questions in five sections (Labor, Health and Safety, Environment, Ethics, and General) in accordance with procurement guidelines in order to assess the implementation status of the policy.

For promoting business integrity as described in the procurement guidelines ("Ethics"), we are striving to conclude an anti-bribery/corruption agreements with suppliers (P.66-67 Compliance "Initiatives to prevent anti-competitive practices and bribery/corruption").

Also, to address issues with energy consumption and GHG emissions as set forth in "The Environment," we are working with suppliers to reduce Scope 3 emissions (P.76 "Scope 3 emissions calculations").

* 1 RBA: The Responsible Business Alliance

* 2 We have identified suppliers that meet any of the following criteria as critical suppliers. They include non-production material suppliers of staffing, contracting/outourcing, and service suppliers such as transportation, warehousing, and equipment companies.

- (1) Top 80% suppliers of amount procured
- (2) Suppliers supplying materials/products that have no alternatives or strategically important materials/products
- (3) Suppliers operating in regions in which CSR risk is considered high
- (4) Supplier group identified by other risk assessments

(1) Initiatives in the second cycle (FY2021-2023)

Commitment (FY2024):

Effectively implement supplier due diligence and reduce critical risks in the supply chain.

Targets (KPIs)

Achieve the 100% annual SAQ implementation rate for the target suppliers.

Achieve the 100% engagement rate for corrective actions with C-ranked suppliers.

(2) Performance in FY2022

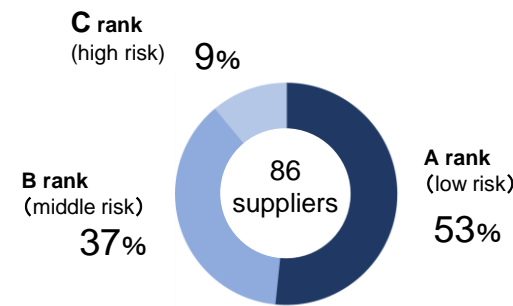
For the purpose of promoting supply chain management initiatives, the Group has defined as the second cycle the four years from FY2021 to FY2024, consisting of the first three years and the final year covered by the 22 Mid-term Plan. In FY2022, we conducted the SAQ survey for target suppliers identified through risk assessment as falling into either of the following categories: 1. suppliers of strategically important components, raw materials, indirect materials, equipment and other items for which it is impossible or very difficult to procure alternatives; or 2. suppliers in the 80th percentile in terms of procurement value after the first cycle (FY2018-FY2020). We received responses from 86 suppliers, and the response rate was 94.5% as a performance against our KPI.

According to the SAQ result, 9% of all suppliers were C-ranked (at high risk). By section of the five, the scores on Ethics tended to be lower than those on other sections.

We sequentially implement engagement with C-ranked suppliers to identify detailed risks and issues, talking about ways to improve them. The C-ranked suppliers make plans to improve identified risks and we regularly follow up on their progress of improvements, working together to take corrective actions. In FY2022, we implemented engagement with four C-ranked suppliers.

As for one C-ranked supplier that we had conducted supplier-engagement in FY2021, we completed corrective actions for the supplier in 2023 as we confirmed the company improved identified risks in accordance with improvement plan.

In addition, following the first cycle, we also requested to implement the procurement policy, collected signed agreement forms from critical suppliers, and conducted SAQ for new suppliers.



The above percentage figures do not total 100%, as each has been rounded off.

Result of supplier SAQ for the critical suppliers in FY2022

We identified critical suppliers that were subject to SAQ in FY2022 as follows;

- (1) Suppliers of strategically important components, raw materials, indirect materials, equipment and other items for which it is impossible or very difficult to procure alternatives.
- (2) Suppliers in the 80th percentile in terms of procurement value after the first cycle.

Performance in FY2022 (single year)

Measures	Number of supplier responses *1
Request to implement the procurement policy	562
Receipt signed agreement form	255
Implement SAQ	136 *2
Supplier engagement	4
Initiative in the Group	Participants
In-house training *3	98

*1 Including all existing/new suppliers that were not implemented in the first cycle.

*2 The number of "Implement SAQ" includes 86 suppliers that were subject to SAQ in FY2022.

*3 Training on supply chain management including responsible minerals sourcing.

Responsible minerals sourcing

As a corporate group in the minerals supply chain, Mitsui Kinzoku Group promotes responsible minerals sourcing. Along with the heightened global interest in responsible minerals sourcing, relevant risks are expanding. The scope of target risks is expanding to environment and human rights issue and target areas are widening to CAHRAs*4. In addition to 3TG (tin, tantalum, tungsten, and gold), other minerals such as cobalt, silver, copper, zinc and lead are included as target minerals.

Mitsui Kinzoku Group has developed its management system in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. We are working in close partnership with international initiatives such as the RMI*5, LBMA*6, and the LME*7.

We have formulated the Responsible Mineral Sourcing Policy as a comprehensive policy. Also, we timely review the at-risk regions and target minerals based on trends in the legal and regulatory in each country, revising the policy.

Based on the policy, each smelting business obtains third-party certification as a responsible smelter and renews it every year. Business division that launches smelting business of target minerals works to obtain third-party certification as a responsible smelter.

In the smelting business of gold or silver, we defined the "Gold and Silver Supply Chain Policy" and are performing initiatives in accordance with the LBMA's guidance. We conduct risk assessment every year, evaluating the suppliers of mineral raw materials as well as checking the areas of origin and transportation routes of mineral raw materials. Based on these evaluation results, an independent auditing company assures that mineral raw materials of our processed gold and silver have been sourced from areas not affected by any conflicts or any other risks. We submit the audit report to LBMA. The assurance reports issued by the auditing company and the report to LBMA are available on our website.

In the business of copper, zinc, and lead, we conduct risk assessment, evaluating the suppliers of mineral raw materials as well as checking the places of origin and transportation routes of mineral raw materials, in line with the LME consultation on responsible sourcing. Based on these evaluation results, an independent auditing company will assure that mineral raw materials of our base metals registered at the LME are obtained from suppliers and areas of origin not affected by any conflicts and any other risks. We will submit the audit report to the LME after all audit processes are completed. We will also timely disclose the assurance report issued by the independent auditing company and the report to the LME on our website.

With regards to the tantalum smelting business, based on the RMAP*8 by the RMI, we have been receiving third party audits every year since 2011 and have been acquiring RMAP Conformant status. We are also a member of a program for achieving due diligence in the supply chain of tantalum raw materials.

In businesses other than smelting, we conduct supply chain due diligence in line with industry standards, based on customer requests. We participate in the Responsible Minerals Trade Working Group by JEITA (Japan Electronics and Information Technology Industries Association) and engage with downstream companies as well as global initiatives such as RMI through JEITA.

*4 CAHRAs: Conflict Affected and High-Risk Areas

*5 RMI: The Responsible Minerals Initiative

*6 LBMA: London Bullion Market Association

*7 LME: The London Metal Exchange

*8 RMAP: The Responsible Minerals Assurance Process



Initiative for responsible mineral sourcing: Internal audit in Metals Sector (at Mitsui Kushikino Mining)

Mining business

We recognize that the mining business has a particularly large impact on the surrounding environment and the local communities.

Based on this recognition, we identify environmental and social issues related to our mining business and implement focused measures.

The Sustainability Action Plan for Mining Business and the mining business management

In FY2020, we formulated the Sustainability Action Plan for Mining Business. Based on our materiality, we identified risks related to mining pointed out in the basic principles of ICMM and by SASB for each mining site and consolidated those risks into priority initiatives. In the mining business management, we conduct progress control annually in order to achieve the KPIs stipulated in the action plan.

In addition to this progress control, we conduct annual surveys on human rights and environment using a self-assessment check sheet for sites engaged in mining activities at the operating mines for which we hold an investment ratio of more than 50% to manage related risks.

Grievance mechanism

In Peru, in response to stakeholder requests, we hold meetings with the local government and the community organizations on an as-needed basis to resolve issues. In the event of a conflict between the company and community that could affect the operation of the mines, a discussion with local residents is held with the attendance of a third party, such as the Ministry of Energy and Mines or the Social Disputes Officer in the President's Office.

In FY2022, we received a complaint from local residents about trucks carrying mined ores. In response, we began discussions with the relevant party under the grievance mechanism, aiming to resolve the situation as early as possible. While continuing to engage in the ongoing discussion, we are investigating whether there is any impact caused by our operations. In case any impact is found, we implement the necessary corrective measures.

Item	Targets(KPIs)	Plans for FY2023
Human rights (Peru)	Establishment of a security guard system in accordance with the Human Rights Policy	Work with hired consultants to conduct business risk assessments in accordance with the Voluntary Principles on Security and Human Rights
Community engagement (Peru)	Identification of impact on local communities	Decide on priority items; start conducting impact assessments
Water management (Peru)	(1) Implementation of measures to prevent surface water from permeating (2) Development of a plan to improve water recycling rate	(1) Work with hired consultants to conduct hydrogeological surveys - Locate surface water inflow areas - Create a clean/contaminated mine water separation plan (2) Conduct recyclable water quality assessments, and examine availability
Tailings dam management (Japan and Peru)	(1) Preparation and implementation of a plan to reduce waste based on an analysis of types of waste generated (2) Reinforcement and operation of a stability monitoring system (3) Completion of accident simulations	(1) Carry out reduction activities according to the plan (Peru) (2) Install monitoring equipment and start measurement (Peru) (3) - Perform accident simulations (Japan) - Select consultants to perform accident simulations (Peru)
GHG emissions /Energy management (Japan and Peru)	(1) Afforestation of the total area of 2,000 m ² of the Akeshi Mine by 2025 (2) Improvement of soil at the former open-pit mining site of the Kamioka Mine for afforestation (3) Completion of investigations for construction of a renewable energy power plant	(1) Consider additional afforestation areas aiming to achieve the FY2025 target (2) Add soil and plant trees on a continuous basis (3) Conduct economic evaluations for building a solar power station (Peru)

Excerpt from the Sustainability Action Plan for Mining Business

Relationships with the local communities around the mines

Compania Minera Santa Luisa that operates the Huanzala Mine and the Pallca Mine places importance on the engagement with the local communities around the mines, and is continuing to address the needs of the communities, such as by developing infrastructure, providing educational aid, and offering support for agriculture and livestock. In FY2022, the company donated an agricultural tractor to the local government to support farmland reclamation in local communities.

Management of water

The Huanzala Mine and the Pallca Mine manage the drainage of water in accordance with the EIA (Estudio Impacto Ambiental = Environmental impact study) and in compliance with the relevant legislation.

For the Huanzala Mine, where acid water is generated in the mine due to an abundance of iron sulfides in the ore, we monitor the generation of the water and neutralize it through comprehensive treatment while also carrying out measures for the water source to address the risk posed by acid water to the local environment and biodiversity. The flotation plant at the Huanzala Mine is advancing efforts to recycle water and striving to reduce the amount of water being used. The Huanzala Mine has obtained ISO 14001 certification.

Management of the tailings dam

If an accident were to occur at a tailings dam, where tailings are managed and stored, it could have an enormous impact on the surrounding environment and communities. We regard the leakage incidents of tailings dams as one of the major risks in the mining business and manage tailings dams in accordance with applicable technical guidelines and manuals.

The amount of tailings reclaimed at overseas mines in FY2022 is 311,413 tons *1 at the Huanzala Mine.

*1 Ores mined at the Pallca Mine are being processed at the flotation plant at the Huanzala Mine, and therefore, the amount of tailings at the Huanzala Mine includes the amount originating from the Pallca Mine.

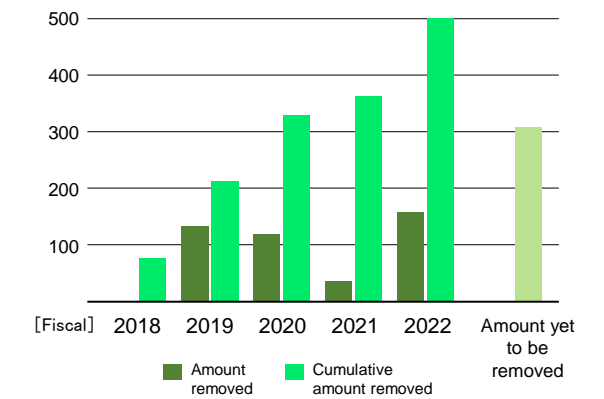
Closure plan

We have submitted closure plans for mines subject to applicable laws and obtained government approval. Based on the closure plans, we guarantee or accumulate expenses for closure. At the Huanzala Mine and the Pallca Mine, we are working on the removal of waste rock piled up on the surface during past mining operations. We are also developing drainage ditches and planting grass in the cleared area in order to regenerate vegetation as a measure to minimize the post-closure environmental and social risk.

Mine	Closure plan	Amount of guaranteed/accumulated expenses (FY2022)
Huanzala Mine (Peru)	Planned	11.0 million US dollars
Pallca Mine (Peru)	Planned	2.6 million US dollars
Akeshi Mine (Kagoshima, Japan)	Not planned	258.4 million yen *2

*2 The amount of accumulated funds for the Akeshi Mine indicated in the table is that for a tailings dam located at a refinery related to the mine.

Amount of waste rock removed at the Huanzala Mine and the Pallca Mine (thousand m³)



Plants are growing from transplants in areas where waste rock was removed (Huanzala Mine)

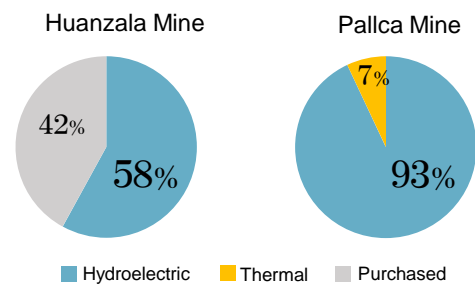
Initiatives to conserve biodiversity

The areas surrounding the Huanzala Mine and the Pallca Mine, which are situated at an elevation of over 3,000 meters, are home to flora and fauna that are unique to that particular environment. In order to minimize the impact of mine development and operations on these flora and fauna, we conduct appropriate treatment of acid water, environmental baseline surveys and bi-annual habitat surveys. In addition, training on biodiversity conservation is provided to employees upon joining the company and once a year.

Use of renewable energy

The Huanzala Mine and the Pallca Mine each own one hydroelectric power plant and use the electricity in their operations.

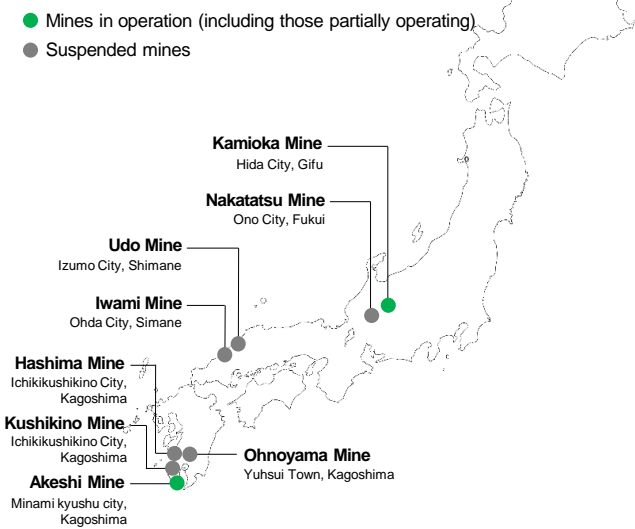
Breakdown of annual electricity use by type (FY2022)



Management of suspended and closed mines

Even for mines that have been suspended or closed, wastewater processing and disposal management continue to be performed in compliance with the Mine Safety Act and related environmental laws. We are managing the maintenance of the tailings dams and the former mine entrance, conducting neutralization treatment of acid mine drainage that includes heavy metals, and performing the monitoring of water quality. We also visit and check the area, as well as perform environmental audits, on a regular basis in order to make sure that the mines are being properly managed. In FY2022, we replaced some old piping equipment and built roads for piping management at a domestic site.

Mines that are in operation and suspended in Japan



Mitsui Kinzoku Group Sustainability Initiatives

[Assessment standards]

- △ : Not achieved as planned
- : Achieved as planned
- ◎ : Achieved more than planned

We have compiled the progress of initiatives based on our materiality. We have reviewed the commitments, KPIs and plans of some items.

CSV standards (opportunities):
Environmental and social standards of products

The environmental contribution products system

Commitment (FY2024)

Ensure voluntary applications for the system from business units each fiscal year

Targets (KPIs)

Make the system work in full-scale

Related SDGs G9, G11, G12, G13

Plans for FY2022

- Operate LCA at Engineered Materials Sector
- Start introducing LCA to Business Creation Sector
- Set up an internal certification commission for the environmental contribution products
- Start to accept applications

Performance in FY2022

- Conducted as planned
- Conducted as planned
- Set up an internal certification commission for the environmental contribution products
- Conducted as planned. Engineered Materials Sector submitted some products as candidates

Self assessment

1. ○ 2. ○ 3. △ 4. ◎

Plans for FY2023

- Operate LCA at Business Creation Sector
- Roll out LCA to other sectors
- Start certifying environmental contribution products in full-scale

ESG risk management frameworks

The environmental and safety management systems

Commitment (FY2024)

Continuously improve the management systems in accordance with ISO standards

Targets (KPIs)

- Continuously operate and update the ISO management system at major manufacturing sites
- Operate and improve the internal management system in accordance with ISO at small and non-manufacturing sites

Related SDGs G8, G9

Plans for FY2022

- Continue monitoring and improving the management systems at major manufacturing sites
- Identify important issues on environmental protection and occupational health and safety at small and non-manufacturing sites and discuss measures

Performance in FY2022

- Conducted as planned
- Conducted as planned. Implemented measures to address important issues that were identified at each site (e.g. compliance with PCB regulations, accident prevention at offices)

Self assessment

1. ○ 2. ○

Plans for FY2023

- Continue monitoring and improving the management systems at major manufacturing sites
- Continue implementing measures to address important issues related to environmental protection and occupational health and safety at small and non-manufacturing sites

Human rights due diligence

Commitment (FY2024)

Conduct human rights DD based on the human rights policy, identify risks, and implement effective measures

Targets (KPIs)

- Complete human rights DD for 85% of 56 manufacturing & development sites and affiliated companies which are closely related to those sites
- Review survey results and improve the survey items

Related SDGs

G1, G4, G5, G8, G10, G11, G16

Plans for FY2022

- Conduct DD at 12 affiliates (7 in Japan and 5 overseas, including 3 originally planned for FY21)

Performance in FY2022

- Conducted at 7 affiliates in Japan and 3 overseas that were originally planned to be targeted in FY21. Remaining 2 overseas planned for FY23

Self assessment

1. △

Plans for FY2023

- Conduct DD at 2 affiliates overseas

Supply chain management

Commitment (FY2024)

Effectively implement supplier DD to reduce critical risks in the supply chain

Targets (KPIs)

- Achieve the 100% annual SAQ implementation rate for the target suppliers
- Achieve the 100% engagement rate for corrective actions with C-ranked suppliers

Related SDGs G8, G12

Plans for FY2022

- (1) Strategically important suppliers (2) Suppliers ranked in top 80% by procurement value after the first cycle
- Corrective actions for C-ranked suppliers
- Discuss initiatives for supply chain management based on the Purpose

Performance in FY2022

- Conducted for 94.5% of the target suppliers
- Conducted as planned
- Conducted as planned

Self assessment

1. △ 2. ○ 3. ○

Plans for FY2023

- Implement SAQ for target suppliers that have not yet responded to SAQ in the second cycle
- Corrective actions for C-ranked suppliers
- (1) Prepare for supply chain risk assessments (2) Compute FY22 actual procurement spending using the new system, and restructure the supplier list using the results

Mining business management

Commitment (FY2024)

Reduce ESG risks specific to the mining business through appropriately managing materiality items

Targets (KPIs)

- Implement the Sustainability Action Plan for Mining Business at mining sites (including closed mines)
- Survey the operating mines with a capital ratio of >50% about human rights and environmental risk of mining business

Related SDGs

G3, G4, G6, G7, G8, G9, G12, G13, G15, G16

Plans for FY2022

1. Start the plan carried over from FY21 early by using a consultant (Santa Luisa)
2. Review FY21 results and consider corrective actions (Akeshi, Santa Luisa)

Performance in FY2022

1. Delay in progress due to the impact of COVID-19 (Santa Luisa)
2. Conducted as planned (Akeshi). Delay in progress due to the impact of COVID-19 (Santa Luisa)

Self assessment 1. 2.

Plans for FY2023

1. Check the progress of FY23 initiatives and follow up on them. Verify the plan for FY24
2. Review FY22 survey results and consider corrective actions (Akeshi, Santa Luisa)

Materiality: ESG risk (Environment)

04 GHG emissions

Commitment (FY2024)

Remain on track to achieve a 38% reduction in GHG emissions by FY30

Targets (KPIs)

1. Scope1,2 Follow reduction targets
2. Scope3 Reduce emissions in the priority categories
3. Develop and implement climate change strategies
4. Initiate forest offsetting activities

Related SDGs G13

Plans for FY2022

1. (1) Continue TCFD scenario analysis internally
- (2) Continue disclosing TCFD-related information externally
- (3) Manage progress for GHG reduction targets of each sector
2. Develop and internally operate a mechanism for GHG emissions calculation
3. Study to develop transition plans as the core of climate change strategies
4. Select a place and launch a pilot project

Performance in FY2022

1. Conducted as planned. Completed scenario analysis for Engineered Materials Sector
2. Conducted as planned. Started estimations for Scope 3 covering sites in Japan
3. Conducted as planned. Formulated the carbon neutrality roadmap (CNRM) to support transition plans
4. Conducted as planned

Self assessment 1. 2. 3. 4.

Plans for FY2023

1. (1) Continue and update TCFD scenario analysis internally
- (2) Continue disclosing TCFD-related information externally
- (3) Manage progress for GHG reduction targets of each sector (start operating CNRM)
2. (1) Firmly establish the GHG emissions calculation mechanism in Japan and roll it out to overseas sites
- (2) Set GHG reduction targets in reference to SBTi standards and based on GHG emissions results
3. Plan comprehensive climate change strategies in reference to TCFD recommendations
4. Implement programs for all employees

05 Energy management

Commitment (FY2024)

1. Investigate the potential for utilizing renewable energy and promote its introduction
2. Implement reduction goals set to replace those based on energy consumption

Targets (KPIs)

1. 100% survey of new utilization of renewable energy
2. Implement initiatives to achieve new reduction goals

Related SDGs G7, G9

Plans for FY2022

1. (1) Provide technical assistance for each site when starting up and follow up
- (2) Follow up on switch to renewable energy at sites
2. Create and operate facility guidelines, and enhance measures to reduce energy use

Performance in FY2022

1. (1) Conducted as planned. Adopted the on-site PPA model (photovoltaics)
- (2) Conducted as planned. Considered purchasing environmental value (e.g. non-fossil fuel energy certificate)
2. Conducted as planned

Self assessment 1. 2.

Plans for FY2023

1. (1) Set targets for non-fossil fuel energy usage rates and consider and implement measures to achieve the targets
- (2) Install equipment supporting renewable energy
- (3) Purchase green power

2. Continue reducing energy consumption, enhance equipment guidelines and provide relevant briefings

06 Water management

Commitment (FY2024)

1. Assess water stress at each site, optimize water withdrawn, and minimize consumption
2. Ensure safe treatment of wastewater

Targets (KPIs)

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)

Related SDGs G6

Plans for FY2022

1. Implement water 3R plan at priority sites and identify reduction effects using the environmental survey sheet for quantitative evaluation
2. Thoroughly manage operations and facilities related to quality control of discharged water to prevent incidents

Performance in FY2022

1. Conducted as planned
2. Conducted as planned

Self assessment 1. 2.

Plans for FY2023

1. Continue to implement water 3R plan at priority sites and identify reduction effects using the environmental survey sheet for quantitative evaluation
2. Continue to thoroughly manage operations and facilities related to quality control of discharged water to prevent incidents

07 Waste and hazardous materials

Commitment (FY2024)

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

Targets (KPIs)

1. Hazardous chemical substances Identify the amount of emissions and transfers at each major site and set reduction targets

2. Promote recycling and waste reduction

- (1) Identify the final disposal volume of waste (not utilized in 3R and thermal recycle) at major sites, and set reduction targets
- (2) Identify the ratio of recycled materials and set targets, or optimize the ratio at each site
- (3) Select well-reputed waste disposal companies, and confirm they treat properly

Related SDGs G12

Plans for FY2022

1. Set reduction targets for substances to manage with priority and manage progress for specific reduction measures at each site
2. (1) Share Group's good practices of the effective use of waste (3R and thermal recycle) and expand effective use
- (2) Continue to aggregate/disclose the ratio of recycled materials using the environmental survey sheet
- (3) Select well-reputed waste disposal companies in each area. Make an on-site inspection visit to selected companies to confirm legal compliance, appropriateness of processing procedures
- (4) Set targets and action policies based on the Plastic Resource Circulation Act

Performance in FY2022

1. Conducted as planned
2. (1) Conducted as planned
- (2) Conducted as planned
- (3) Conducted as planned. Partially deferred on-site inspection visit to landfill sites due to the impact of COVID-19
- (4) Conducted as planned

Self assessment 1. 2.

Plans for FY2023

1. Continue to set reduction targets for substances to manage with priority and manage progress for specific reduction measures at target sites
2. (1) Continue to share Group's good practices of the effective use of waste (3R and thermal recycle) and expand effective use
- (2) Continue to aggregate/disclose the ratio of recycled materials using the environmental survey sheet
- (3) Select well-reputed waste disposal companies in each area. Make an on-site inspection visit to selected companies to confirm legal compliance, appropriateness of processing procedures
- (4) Set goals for plastic waste reduction and utilization at each site. Start initiatives to reduce the amount of waste and promote 3R activities

08 Impacts on biodiversity

Commitment (FY2024)

1. Identify impacts of our business activities on biodiversity and prevent environmental damage
2. Effort to restore the ecosystem where we have directly developed

Targets (KPIs)

1. Evaluate the impacts on ecosystems at sites and implement countermeasures
2. Restoration by planting trees on the land we have directly developed

Related SDGs G14, G15

Plans for FY2022

1. Decide measures suitable for operations at sites based on the assessed impacts on ecosystems
2. Continue to plan and manage the progress of planting or other restoration on developed land

Performance in FY2022

1. Conducted as planned
2. Conducted as planned

Self assessment 1. 2.

Plans for FY2023

1. At each site, identify impacts of business activities on local ecosystems and implement measures to reduce the impacts
2. Continue to plan and manage the progress of planting or other restoration on developed land. Continue using products conducive to biodiversity conservation

Materiality: ESG risks (Social)

09 Health and safety

Commitment (FY2024)

1. Maintain a safe, hygienic, and healthy work environment where all employees can work worry free
2. Eliminate serious accidents

Targets (KPIs)

1. Safe, hygienic, and healthy workplace
- (1) Reduce the number of accidents resulting in no lost time or more <30
- (2) Reduce the number of occupational accidents/diseases <10, especially for new employees (<1 years of employment), senior employees (>60 years old) and foreign-national employees
2. Eliminate serious accidents
- (1) Reduce to zero: the number of serious accidents (fatal accidents)
- (2) Reduce to zero: the number of accidents that cause irreversible physical sequelae
- (3) Hazard simulation training

Related SDGs G8

Plans for FY2022

1. (1) Determine whether to adopt physical condition monitoring using biometric sensors at a model workplace
- (2) New employees: Prioritize focus workers to participate in hazard awareness training; regularly conduct interviews by forepersons; continue dialogue with the head of the sector

Senior employees: Make improvements from the perspective of senior employees based on the results of a workplace survey at a model workplace

Foreign-national employees: Install graphic warning signs; create training materials and work manuals in the languages used at sites

2. (1) Expand the sources of hazards covered by the lockout system (residual energy, liquid chemical); conduct lockout training; check operation status with ISO45001 internal audits and safety audits
- (2) Create improvement plan for identified hazardous facilities and operations
- (3) Trial use of VR equipment at sites; create a program for lending hazard awareness VR equipment and launch it

Performance in FY2022

1. (1) Re-examined the initial plan due to withdrawal of the biometric sensor manufacturer
- (2) Conducted as planned
1. (1) Conducted as planned
- (2) Conducted as planned
- (3) Conducted as planned

Self assessment 1. 2.

Plans for FY2023

1. (1) Determine whether to adopt physical condition monitoring using biometric sensors at a model workplace
- (2) New employees: Prioritize focus workers to participate in hazard awareness training; regularly conduct interviews by forepersons; continue dialogue with the head of the sector

Senior employees: Make improvements from the perspective of senior employees based on the results of a workplace survey at a model workplace

Foreign-national employees: Install graphic warning signs; create training materials and work manuals in the languages used at sites

2. (1) Expand the sources of hazards covered by the lockout system; share good examples of the lockout system at each site; Check operation status with ISO45001 internal audits and safety audits
- (2) Enforce the Mitsui Kinzoku Safety Standards (chemical injuries, hypoxia)
- (3) Conduct VR hazard awareness training and support individual training at each site

10 Human rights

Commitment (FY2024)

Implement the Group's mitigation measures for human rights risks identified in human rights DD

Targets (KPIs)

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

Related SDGs G1, G4, G5, G8, G10, G11, G16

Plans for FY2022

1. (1) Identify issues by country/region regarding detailed rules for child labor and consideration for religious beliefs
- (2) Establish the two rules above and disseminate them within the Group
- (3) Consider how to respond to other risks

Performance in FY2022

1. (1) Conducted as planned
- (2) Conducted as planned
- (3) Surveyed foreign-national employees and created action policies

Self assessment 1.

Plans for FY2023

1. Create action policies for protecting human rights of foreign-national employees and implement risk mitigation measures
2. Design and implement systematic human rights training programs

11 Fair business practices

Commitment (FY2024)

Establish a global anti-bribery system and a PDCA cycle for fair business practices

Targets (KPIs)

All Group employees are aware of the prohibition of bribery and fair business practices

Related SDGs G16

Plans for FY2022

1. Deploy anti-bribery agreement/contracts including CSR provisions (Indonesia, Malaysia)
2. Continue training on fair business practices (Antimonopoly Act and Subcontract Act)

Performance in FY2022

1. Conducted as planned. Conducted in Taiwan additionally
2. Operated the rules for application/reporting for meeting with competitors; not achieved training plans

Self assessment 1. 2.

Plans for FY2023

1. Roll out initiatives to overseas sites excluding the Asia region (Morocco, Mexico, Peru, India)
2. (1) Continue providing MLP-based training on the Antimonopoly Act and Subcontract Act
- (2) Enhance applying rules for application/reporting for meeting with competitors

Materiality: ESG risks (Governance)

12 Governance

(including Compliance and ICT Governance)

Commitment (FY2024)

1. Enhance corporate governance
- (1) Establish a system that the Board of Directors effectively supervises the initiatives for medium- and long-term issues by the execution
- (2) Regular risk assessment to enhance the risk management function
2. Compliance system
- (1) Establish compliance awareness system at all sites
- (2) Operate the whistle-blowing system for internal and external stakeholders
3. ICT Governance
- Establish an information management system in all sectors
4. Information disclosure and transparency
- Establish a management system for information disclosure

Targets (KPIs)

1. (1) Share information on the status of initiatives for the medium- and long-term issues with Directors, and ensure timely and appropriate discussions of issues at the Board of Directors
- (2) Establish a risk management system to identify risks, formulate countermeasures and evaluate them on an annual basis
2. Ensure that all Group employees are aware of compliance
3. Minimize the risk of information leaks due to management weakness
4. Establish disclosure standards and a prompt and fair information disclosure system

Related SDGs G16

Plans for FY2022

1. (1) Strengthen responses to individual items of the revised CG Code; improve operation based on the evaluation of the effectiveness of the Board of Directors
- (2) Roll out the risk map; conduct risk reduction activity and check the effects
2. (1) Complete Phase 1 of compliance promotion in Asia
- (2) Consider and implement compliance promotion measures in Europe and the Americas (including Peru)

3. (1) Enhance information management system linked with production technology enhancement
- (2) Complete SOC establishment (overseas)
- (3) Risk assessment of systems at each site
- (4) Build a system-based control mechanism regarding detailed rules for ICT use
4. Identify if there are any new issues and consider measures

Performance in FY2022

1. (1) Conducted as planned
- (2) Conducted as planned
2. (1) Conducted as planned
- (2) Conducted as planned. Started to implement compliance promotion measures in France, Morocco, and Peru (rolled out the guidebook; conducted seminars)
3. (1) Made progress in production technology enhancement and linkage
- (2) Conducted as planned
- (3) Conducted as planned
- (4) Conducted as planned. Implemented system-based control for one-third of the target
4. Conducted as planned. No new issue was identified

Self assessment

1. (1) (2) 2. 3. (1) (2) (3) (4) 4.

Plans for FY2023

1. (1) Strengthen responses to individual items of the revised CG Code; improve operation based on the evaluation of the effectiveness of the Board of Directors; enhance information disclosure via the Securities Report
- (2) Roll out the risk map; conduct risk reduction activities and check the effects; prepare for risk management surveys to be conducted for the next Mid-term Plan
2. (1) Consider and implement compliance promotion measures in Europe and the Americas
- (2) Revise the Compliance Guidebook (add descriptions for the Purpose, Vision, respect for human rights, supply chain due diligence, and diversity)
3. (1) Continue reviewing ICT-related rules
- (2) Enhance information management system linked with production technology enhancement
- (3) Build information management systems at overseas affiliates
- (4) Risk assessment of systems at each site
- (5) Build a system-based control mechanism regarding detailed rules for ICT use
4. Consider adding new items to information disclosure policy

Initiatives supporting the progress of the materiality (Capital for value creation)
Human capital

Diversity

Commitment (FY2024)

Realize a corporate Group in which diverse human resources demonstrate their abilities

Targets (KPIs)

1. Change the human resources system so that diverse human resources demonstrate their abilities, regardless of age, gender, or other personal attributes
2. Create a workplace in which diverse human resources can continue to work
- Percentage of sites with maintained/improved *Ikiiki* active engagement (engagement indicator) >20%
- Percentage of sites with maintained/improved respect for diversity (based on employee surveys) >30%
- Percentage of women in the total number of new hires >20%
- Percentage of women in the total number of regular employees >26%
- Percentage of women in managerial positions >5%
- Percentage of women in leadership positions >12%
- Rate of parental leave taken by male employees >30%
- Obtain certifications for *Eruboshi*, *Kurumin*, and *Nadeshiko*
3. Establish an internal dissemination system; share information on a regular basis and introduce the systematic diversity training plan

Related SDGs G4, G5, G8

Plans for FY2022

1. Introduce and establish a new human resources system
2. - Continue recruitment seminars for women and international students
- Examine and improve systems
- Assess usage of existing systems in the previous year and improve measures
- Set up Diversity, Equity and Inclusion Committee
- Set indexes for transforming job satisfaction and start measurement
3. Start new training for active involvement of female employees as well as unconscious bias training and training for female managers and female manager candidates

Performance in FY2022

1. Conducted as planned
2. Conducted as planned
3. Conducted as planned

Self assessment 1. 2. 3.

Plans for FY2023

1. Continue working to firmly establish the new human resources system operations and keep holding dialogues for internal familiarization
2. - Increase PR activities for mid-career recruitment
- Launch model projects at selected sites for instituting workplace systems that allow everyone to take at least 10 days' leave
- Obtain the *Eruboshi* certification
- Plan and conduct women's networking sessions
- Create and distribute the Parental Leave Handbook; hold briefing sessions for managers on taking parental leave by male employees
- Launch the employee engagement assessment program, and roll out best practices
3. Provide unconscious bias training, training for female employees and their superiors, harassment training, and training for persons responsible for administrative and personnel affairs

Health management

Commitment (FY2024)

Support realizing a workplace and physical and mental health for all employees to work at the forefront as they age

Targets (KPIs)

1. Preventive measures for mental and physical health risks
- Maintain and raise health literacy
- Reduce the ratio of high-stress employees to the average ratio reported by the research company by the end of FY24
2. Measures for high-risk/high-stress employees
- Raise and maintain the Group's specific health guidance implementation rate to 35% or more by the end of FY24
- Introduce a system to support the balancing of treatment and work

Related SDGs G3, G8

Plans for FY2022

1. - Disseminate the health management commitment; consider and implement group-wide training and event plans; continue providing mental health training
- Analyze group-wide health checkup data, identify health issues, set health management targets, and make improvements
- Provide feedback on stress check results to each workplace; continue hearing from, checking the progress of improvement at, and providing support at priority workplaces

2. - Maintain the Group's specific health guidance implementation rate at 35% or more
- Introduce systems to support employees in balancing medical treatment and work

Performance in FY2022

1. Conducted as planned
2. - Specific health guidance implementation rate: 26.7%
- Considered plans but deferred implementation
- Updated EAPs and conducted trials

Self assessment 1. 2.

Plans for FY2023

1. - Disseminate the health management commitment; continue implementing group-wide training and events
- Implement measures to achieve health management targets
- Provide feedback on stress check results to each workplace; continue selecting priority workplaces and hearing from, checking the progress of improvement at, and providing support at selected workplaces
2. - Maintain the Group's specific health guidance implementation rate at 35% or more
- Reconsider introducing systems to support employees in balancing medical treatment and work
- Introduce and operate EAPs for mental health support

Human resources development

Commitment (FY2024)

Develop employees who have their own will for value creation

1. Support self-motivated career development and capacity development and implement development measures for value creation
2. Provide employees with global and equal learning opportunities

Targets (KPIs)

1. Training measures for value creation
- Implement the new performance-based human resources system (the new HR system) and execute succession plans with greater HRBP functions
- Build systems for employees' self-motivated career development
- Adopt ICT tools to provide employees with more convenience and equitable learning opportunities
- Provide learning formats and contents that support self-motivated career development

- Provide contents that incorporate sustainability
- Implement group-wide ICT training
- 2. Continue to open each training program to group-wide employees of affiliates and national staff and enhance the contents

Related SDGs G4, G8

Plans for FY2022

1.
 - Create human resources allocation/succession plans
 - Start operating a human resource development system for the new HR system
 - Implement systems for self-motivated career development; conduct career training; manage the career support website; develop career consultants; conduct career consulting
 - Introduce learning platforms
 - Conduct training on integrated thinking-based management and SDGs
 - Establish an ICT training system
2.
 - Conduct training for national staff
 - Support local training in China

Performance in FY2022

1. Conducted as planned
2.
 - Postponed due to the impact of COVID-19
 - Conducted as planned

Self assessment 1. ○ 2. △

Plans for FY2022

1.
 - Implement human resources allocation/succession plans
 - Properly operate and improve the new HR system; promote and expand usage of one-on-one meeting across the group
 - Review and improve the HR development systems
 - Implement systems for self-motivated career development; conduct career training; consider development of career consulting systems
 - Conduct training on the Purpose, integrated thinking-based management, and SDGs
 - Continue ICT training
2. Consider resuming training for national staff

Intellectual capital

Intellectual property

Commitment (FY2024)

1. Build a system for IP activities and IP governance for long-term value creation
2. Acquire IP and protect technologies to support business and new initiatives related to the environment and energy
3. Develop human resources through IP education that matches the type of job and rank

Targets (KPIs)

1.
 - Reorganize and build systems for governance (respond to the revised CG Code)
 - Maintain the number of IP specialists assigned to each sector
 - Share internal IP information
 - Regularly disclose information externally (once a year) through the Integrated Report and the corporate website
2.
 - Practice IPL to support creation of new business opportunities (value) related to material cycle and CASE
 - The number of patent applications from each sector should be equal to or greater than that of the previous year; increase the number of departments that use time stamps
3. Continue group-wide IP education and enhance initiatives to employ and develop IP specialists

Related SDGs G4, G9

Plans for FY2022

1.
 - Organizational change to build an IP governance system
 - Consider a mechanism for internal information dissemination
 - Examine and announce contents to disclose through the corporate website and the Integrated Report
2.
 - Survey and start analysis on IP-related technical issues (e.g. CN, material cycle, CASE-related) group-wide
 - Enhance IPL tools; consider a system specialized in survey and planning
 - Set up a DX promotion project
3.
 - Continue hybrid training
 - Consider an education system for IP specialists

Performance in FY2022

1. Conducted as planned
2. Conducted as planned
3. Conducted as planned

Self assessment 1. ○ 2. ○ 3. ○

Plans for FY2023

1.
 - Ensure operating reorganized IP-related functions
 - Report to executives results of surveys and analyses conducted on group-wide IP-related technical issues
 - Share IP information with the Board of Directors and start relevant discussions in response to the revised CG Code, and prepare for disclosing information
2.
 - Continue surveys and analyses on group-wide technical issues and expand the coverage
 - Enhance IPL tools; build dedicated survey and planning functions
 - Utilize IP data in the R&D/business/IP divisions

3.
 - Further improve hybrid training
 - Build education systems for IP specialists and dispatch such specialists to external institutions

Quality assurance

Commitment (FY2024)

- 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

Targets (KPIs)

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 corporate website (once a year)

Related SDGs G3, G6, G8, G9, G12

Plans for FY2022

1. Establish a system and confirm through audits (Japan, overseas)
2.
 - Complete research on relevant laws and regulations in each country
 - Develop and make known information provision guidelines and check sheets
3. Participate in examining the environmental contribution products system
4. Continue to disclose the status of the initiatives and consider disclosure by other means

Performance in FY2022

1. Conducted as planned. Review the QAGL; internal audits at 14 sites in Japan and overseas
2.
 - Research was completed in China and is underway in the US
 - Considered the outline of the information provision guidelines (GL)
3. Conducted as planned
4. Conducted as planned

Self assessment

1. ○ 2. △ 3. ○ 4. ○

Plans for FY2023

1.
 - Establish systems and confirm operations through audits at sites in Japan and overseas
 - Review audit results and the QAGL
2.
 - Establish information provision GL/CS
 - Continue research on relevant laws and regulations in each country; confirm the situation excluding the US and China
3.
 - Establish product design/development GL/CS
4.
 - Participate in operating the environmental contribution products system
4.
 - Continue to disclose the initiatives and consider disclosure by other means

Social and relationship capital

Community engagement

Commitment (FY2024)

1. Continue current social activities and brush them up through engagement
2. Promote volunteer activities by employees
3. Contribute to sustainable consumption

Targets (KPIs)

1. Initiate engagement
2. Provide a platform for volunteer activities
3.
 - 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

Related SDGs G12, G13, G17

Plans for FY2022

1. Survey the actual status of engagement using internal questionnaire (second)
2. Research on corporate afforestation activities
3.
 - Check routes for purchasing food to be used at company cafeterias and dormitories
 - Start management of green ethical procurement status

Performance in FY2022

1. Conducted as planned
2. Conducted as planned
3. Conducted as planned

Self assessment 1. △ 2. ◎ 3. ○

Plans for FY2023

1.
 - Exchange opinions with each site

2.
 - Research on corporate afforestation activities in target areas
3.
 - Confirm the situation of local-production-local-consumption procurement using internal surveys
 - Aggregate purchasing data of green/ethical products from internal surveys