

Initiatives for environmental issues

Business activities dependent on natural capital

Through businesses such as non-ferrous metal smelting and the development and manufacture of engineered materials, Mitsui Kinzoku Group has provided products and technologies that contribute to societal development. These business activities depend on natural capital, including mineral resources, water, energy, land, and ecosystem services, and also have impacts on the natural environment throughout the value chain, from mining and procurement to manufacturing, product use, and recycling. Recognizing this, the Group considers understanding its relationship with natural capital and addressing environmental issues to be important management priorities.

Sustainable value creation in harmony with the environment

Mitsui Kinzoku Group has established its Basic Environmental Policy and formulated an Environmental Action Plan based on that policy in order to address environmental issues across the Group on a continuous basis. Under the Environmental Action Plan, the Group identifies and assesses the impacts of its business activities on stakeholders throughout the value chain and designates particularly important areas as priorities for action. Each site translates these priority areas into specific action plans and implements related measures as part of its day-to-day business activities. In addition, both the 22–24 MTP and the 25–27 MTP explicitly state that the Group assesses the sustainability of each business from the perspective of environmental impact and uses the results in management decision-making.

The Group currently regards climate change, resource conservation and environmental impact reduction, and biodiversity conservation as priority environmental issues in light of its dependencies and impacts on natural capital, and advances initiatives in these areas as one of its material issues. These initiatives help reduce physical and transition risks associated with tighter environmental regulations, resource constraints, water stress, climate change, and the degradation of natural capital. At the same time, they also create new growth opportunities through promoting resource circulation, establishing manufacturing processes that further reduce environmental impact, and developing environmental contribution products.

The Purpose, “We promote the well-being of the world through a spirit of exploration and diverse technologies,” expresses our commitment to contributing to the resolution of environmental and social issues through our businesses, realizing a sustainable global environment and society, and enhancing corporate value. By integrating continuous improvement rooted in frontline operations with efforts to take on the challenges of new technologies and business opportunities, the Group seeks to enhance both social and economic value and pursue sustainable value creation through business activities in harmony with the environment.

* The Basic Environmental Policy is available on our website.
<https://www.mitsui-kinzoku.com/en/csr/environment/environmental-policy>

Response to climate change and support for the TCFD* recommendations

Mitsui Kinzoku Group considers climate change as an important change in our external environment which would affect the continuity of our business. We recognize that climate change and the social and economic changes surrounding it pose risks to our business. However, we also recognize that an appropriate response can lead to enhanced competitiveness and new business opportunities. In FY2020, we started to analyze the medium- and long-term risks and opportunities posed by climate change based on the TCFD recommendations and to incorporate the results of this analysis into our business strategies. In March 2022, we also announced our support for the TCFD recommendations.

* Task Force on Climate-related Financial Disclosures

Disclosure items recommended by the TCFD are indicated with TCFD.

Governance TCFD

Mitsui Kinzoku Group's basic policy and important issues to address climate change are discussed by the CSR Committee, which is chaired by the President, and then deliberated and decided by the Executive Council. The Executive Council is comprised of Representative Directors and Executive Directors, deliberating from a management perspective. Decisions are reported to the Board of Directors for monitoring and oversight.

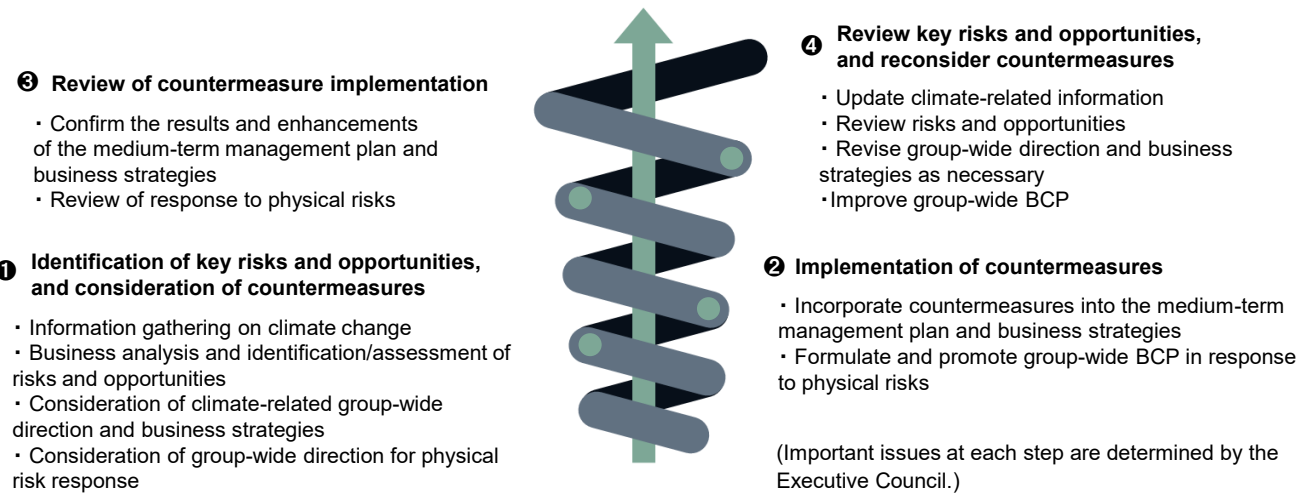
In FY2023, we introduced ESG index-based restricted stock compensation for Directors (excluding outside directors), which incorporates our efforts to reduce GHG emissions as one of the ESG indicators.

Risk management TCFD

Mitsui Kinzoku Group has multiple businesses with different business models. The Strategy Office for Harmony with Nature and Carbon Reduction identifies and assesses risks and opportunities related to climate change in collaboration with each business unit, including scenario analysis, based on the findings of internal and external surveys and in accordance with the framework of the TCFD recommendations.

The results of the scenario analysis are reported to top management at the Executive Council. Each business unit is responsible for promoting countermeasures based on the results, while the Strategy Office for Harmony with Nature and Carbon Reduction is tasked with monitoring the progress of the countermeasures. In line with the achievements, the team evaluates and identifies risks and opportunities afresh for the next cycle, in cooperation with the business units. By constantly implementing this risk management cycle, we formulate and promote business strategies with a view to addressing climate change.

Risk Management Process / Integration of scenario analysis and business strategy



Strategy / Scenario analysis TCFD

Mitsui Kinzoku Group operates many businesses globally and recognizes that climate-related risks and opportunities differ among businesses. Therefore, we conduct scenario analysis starting with businesses that are relatively likely to be affected by climate change.

The Group completed scenario analyses for all of its businesses in FY2025. For businesses previously subject to scenario analysis, the Group reviewed the financial impacts of risks and opportunities by referring to publicly available scenarios as of November 2025, including the IEA World Energy Outlook 2025. Going forward, the Group plans to update the analyses annually in light of changes in the market environment, regulatory trends, technological developments, and other factors affecting each business, while focusing its analyses on the Metals Sector and the Copper Foil Division, which have relatively high GHG emissions within the Group.

Looking ahead to the medium to long term, around 2035 to 2040, the Group will continue to assess the impacts of climate-related risks and opportunities on its business strategy and financial position.

Through scenario analysis, the Group is examining response measures aimed at minimizing potential reductions in earnings arising from climate-related risks while creating opportunities for new products and businesses. As many of these measures require a long-term perspective, they have been incorporated into the 25–27 MTP, and the Group will continue working to strengthen its resilience.

Metrics and targets TCFD

Medium- and long-term CO2 emissions reduction targets

Given our involvement in energy-intensive industries such as non-ferrous metal smelting and electrolytic copper foil manufacturing, we recognize the significant impact of our business activities on climate change, particularly in terms of energy consumption and GHG emissions. In 2022, we revised our medium-term and long-term CO2 emissions reduction targets. To achieve these targets, we promote energy-saving activities, increase renewable energy use, as well as create environmental contribution products and develop innovative technologies actively.

In the 25-27 MTP, we will further enhance our strategies to address key issues, including the expansion of Scope 3 initiatives and compliance with new GHG emissions reduction schemes such as GX-ETS.

Medium-term CO2 emissions reduction target

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

Long-term CO2 emissions reduction target

Achieving carbon neutrality (net zero emissions) by FY2050

Carbon Neutral Road Map

Mitsui Kinzoku Group has formulated a Carbon Neutral Road Map (CNRM) to achieve its medium- and long-term CO2 emissions reduction targets. In order to achieve carbon neutrality by 2050, it is necessary for management to make climate-related investments that take into account social and technological trends, as well as the company's situation. We consider the CNRM as an important management mechanism to support flexible and timely decision-making on these investments. Initiatives under the CNRM are promoted under the support and management of the relevant business sectors based on activities and implementation plans proposed by business divisions and affiliated companies, while necessary investment decisions are deliberated by the Executive Council.

In FY2025, the Group began full-scale operation of a cloud-based information-sharing system compatible with CNRM, enhancing the visibility of information on various initiatives, including those involving ICP (Internal Carbon Pricing). The Group also implemented 23 ICP-related initiatives, with a total investment of 530 million yen.

In FY2026, we plan to allocate 1.0 billion yen to Scope 1 reduction efforts and 640 million yen to Scope 2.

Scenario assumptions

Assumed period	2030	
Definition and reference	4°C scenario 2.7-4.0 °C higher than pre-Industrial Revolution levels by the end of the 21st century * Uses data mainly from the CPS (Current Policies Scenario) of the IEA	1.5°C scenario 0.3-1.7 °C higher than pre-Industrial Revolution levels by the end of the 21st century * Uses data mainly from the NZE (Net Zero Emissions by 2050 Scenario) of the IEA
Assumed Environmental Changes	4°C scenario •The transition to a decarbonized society is expected to proceed relatively gradually, while demand for metals that support social infrastructure is expected to remain robust, supported by economic and population growth. •Although societal expectations regarding decarbonization and resource circulation are expected to remain limited, rising demand for metals may lead to higher prices and supply constraints. •Infrastructure development and growing AI-related demand are expected to create opportunities for non-ferrous metal materials and electronic materials products. •Rising temperatures and the increasing frequency of extreme weather events may increase uncertainty in the business environment, including local communities, infrastructure, and supply chains.	1.5°C scenario •The transition to a decarbonized society is expected to proceed rapidly, with the shift to renewable energy, electrification, and resource circulation accelerating across society. •While demand for metals is expected to increase further, carbon prices, raw material and component prices, and decarbonization-related costs are also expected to rise. •Customer requirements related to environmental considerations are expected to become more stringent, and supplier selection criteria may become stricter. •In addition to growing demand for infrastructure that supports the expanded use of renewable energy and climate-related measures, demand for high-value-added products is also expected to increase. •Although physical impacts are expected to be more limited than under the 4°C scenario, impacts on local communities, infrastructure, and supply chains are still expected.

Summary of FY2025 scenario analysis results (Mitsui Kinzoku Group)

Impact estimation items	Risks/Opportunities	Countermeasures			
		4°C	1.5°C	4°C	1.5°C
Sales	Risks • A shift to alternative materials, driven by soaring metal prices resulting from strong demand and higher carbon prices, could lead to a decline in metal sales. • Sales could also decline if we fail to meet increasingly stringent and evolving customer requirements related to environmental considerations, such as the use of renewable energy and recycled materials.	Loss ▼▼▼	▼▼▼	• Continue responding to customer requirements, including ESG procurement requirements and requests for renewable energy and recycled raw materials, through the use of certification schemes, renewable electricity, and renewable energy certificates.	• Focus on developing products that contribute to CO ₂ emissions reductions, including through thinner and lighter designs, in anticipation of growing market-wide requirements for climate change action.
	Opportunities • In addition to robust demand for metal materials that support social infrastructure, expanding demand related to AI and climate change solutions may drive sales of non-ferrous metal materials and electronic materials products.	Profit ▲▲	▲▲	• Continue responding to customer requirements, including ESG-related requirements, while establishing a production system capable of meeting growing demand for nonferrous metal materials and electronic materials-related products.	• Anticipating growing demand for high-value-added products, establish a production system, appropriately reflect added value in product prices, and promote sales expansion.
Carbon prices	Risks • Higher carbon prices may increase operating costs as well as procurement, manufacturing, and logistics costs.	▼	▼▼▼	• Steadily advance energy conservation initiatives and the introduction of renewable energy while responding to customer requirements.	• Strengthen initiatives to reduce CO ₂ emissions, including the purchase of green electricity and the installation of solar power generation facilities under PPAs. • Consider passing on cost increases associated with decarbonization measures and non-fossil certificates through product pricing, as appropriate.
Raw material prices	Risks • Rising raw material and component prices may increase costs.	▼▼	▼▼▼	• Improve extraction yields from raw materials and metal recovery rates, and enhance technologies for utilizing lower-cost raw materials.	• Consider passing on increases in raw material costs resulting from rising prices of metals such as copper through product pricing.
GHG reduction measure costs	Risks • Costs associated with GHG reduction measures may increase in order to reduce the cost burden from carbon pricing and secure sales.	▼	▼▼	• Utilize renewable energy certificates and other appropriate instruments, as necessary, to meet customer requirements.	• In addition to appropriately purchasing and using renewable energy certificates, advance both information gathering on switching to more economically viable fuels and technical studies toward their application.
Physical risks	Risks • Extreme weather events may constrain water and energy use, potentially affecting operations. • Impacts on the Group's production facilities and supply chains may also pose operational risks.	▼▼		• Upgrade aging equipment, implement flood prevention measures in anticipation of impacts on production facilities from extreme weather events such as torrential rain, and strengthen heatstroke prevention measures. • Advance BCP measures, including securing inventories in anticipation of potential disruptions and installing emergency on-site power generation equipment.	• Continue implementing existing measures, considering it unlikely that impacts will exceed those assumed under the 4°C scenario as climate-related measures continue to advance.

* Financial impact (4°C/1.5°C)

No indication ± less than 100 million yen ▲▼ ±100million – less than 1 billion yen ▲▼ ± 1 billion – less than 10 billion yen ▲▼ ±10 billion yen or more

* The countermeasures for each scenario are illustrative examples currently under consideration. Actual measures will be formulated in detail based on future business conditions.

Increasing the use of renewable energy

In order to increase the share of renewable energy, we are expanding the deployment of new renewable energy generation facilities as well as ensuring the stable operation of existing hydroelectric, solar, and other power generation facilities. We also purchase electricity from renewable energy sources.

Kamioka Mining & Smelting, along with the Huanzala and Palca Mines, operates on-site hydroelectric power plants. Okuaizu Geothermal supplies steam for geothermal power generation to an electric power company. In addition, solar power generation facilities have been installed at multiple sites.

Low-carbon copper foil products through renewable electricity

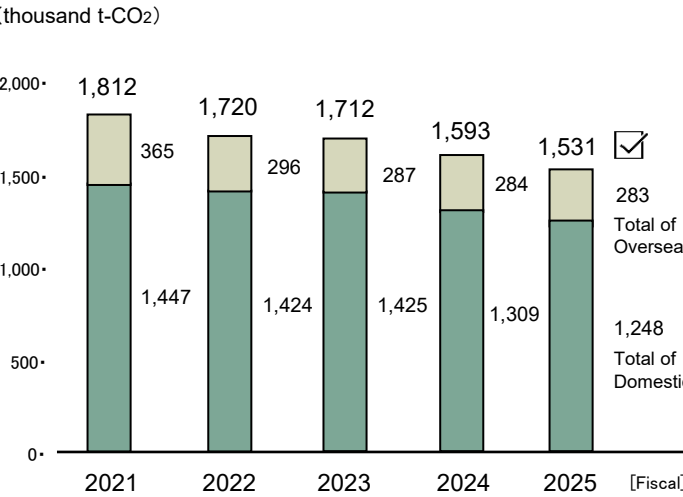
The Copper Foil Division is promoting the use of renewable electricity in its manufacturing processes. Under a policy of expanding the use of electricity from renewable energy sources across the Division, the most suitable approach is selected for each site based on regional characteristics and the manufacturing processes of individual products. For the Division's flagship products, MicroThin™ and FaradFlex™, 100% of the electricity used at the Ageo Site and the Malaysia Plant is effectively sourced from renewable energy.

These initiatives contribute to reducing CO₂ emissions (Scope 2) associated with the manufacturing of the Group's products and also help reduce CO₂ emissions (Scope 3) throughout customers' supply chains.

CO2 emissions results

In FY2025, emissions at domestic sites decreased by 4.7% year-on-year, primarily due to progress in initiatives within the Metals Sector, which accounts for a particularly high share of total emissions. On a global scale, emissions declined by 3.9% compared to the previous year, equivalent to a reduction of approximately 62 thousand t-CO₂.

CO2 emissions from energy consumption



* CO₂ emissions from energy consumption were calculated using the applicable emission factors prescribed under the Act on Promotion of Global Warming Countermeasures. For purchased electricity in Japan in FY2025, CO₂ emissions were calculated using the latest published baseline emission factors for each electricity supplier. For overseas operations, supplier-specific or region-specific emission factors were used. Where such factors were unavailable, the 2024 edition of the IEA's CO₂ Emission Factors from Electricity was used, consistent with FY2024. For FY2021 through FY2023, the 2021 edition of the IEA's CO₂ Emission Factors from Electricity was used.

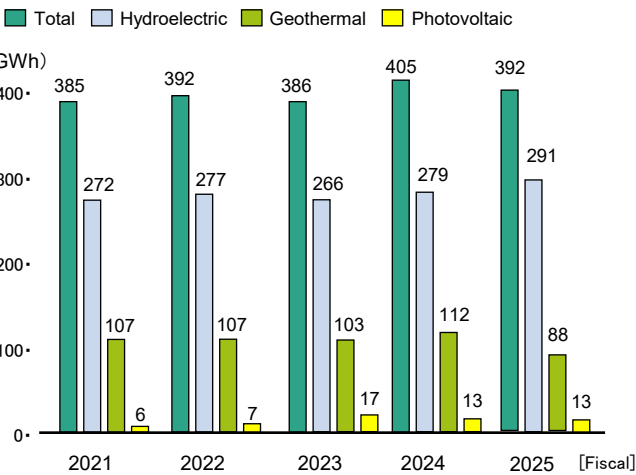
* Emissions from the use of waste-derived fuels are not included.

* Energy sold to third parties is not included.

* We have received independent practitioner's assurance for the FY2025 figures in this information marked with ☒ in the Japanese edition of Integrated Report 2026.

The reporting boundary for CO₂ emissions from energy consumption is described in the ESG Data section (P.94).

Total power generation using renewable energy



Exploring biomass fuel adoption in smelting process

The Metals Sector is considering the use of biomass fuels as alternatives to coal and coke in the smelting process. To date, demonstration tests have been conducted to partially replace coal and coke with biomass fuels at facilities including the Mitsui Furnace (MF) at Miike Smelting, the lead blast furnace at Kamioka Mining & Smelting, and the flash smelting furnace at Hibi Smelter. These smelting furnaces are core facilities supporting the stable supply of zinc, lead, and copper, and the Group is assessing the feasibility and application conditions while taking into account potential impacts on operations.

The use of biomass fuels presents challenges in terms of cost, supply stability, and quality. To address these challenges, the Group is also conducting in-house biochar production trials. While biomass fuels are considered carbon neutral from the perspective of the carbon cycle, the Group recognizes that their actual application requires careful verification on a case-by-case basis.

Going forward, while assessing the technical and economic feasibility of biomass fuels in each smelting process, the Group will continue to evaluate their potential as one option for reducing CO₂ emissions.

Water conservation

Water is an important resource of the Earth, deeply connected to the abundance of land, sea and biodiversity. Water is essential to Mitsui Kinzoku Group's manufacturing processes. We are committed to the proper use of water in all aspects of our business operations, in dialogue with local communities to conserve water resources.

Improve water efficiency

At our manufacturing sites, we monitor water use, wastewater discharge, and reuse/recycling volumes to ensure efficient water use.

Our non-ferrous smelting and refining operation, which is a mainstay business of Mitsui Kinzoku Group, makes extensive use of water for cooling refining facilities and for cleaning raw materials, products, and equipment. This business accounts for more than 90% of the Group's total water withdrawal. In using water, we strive to improve water use efficiency and conserve water resources, taking local conditions into account.

Miike Smelting uses some of the wastewater discharged and treated by other Mitsui Kinzoku Group plants adjacent to the smelter, as well as rainwater. Kamioka Mining & Smelting uses freshwater with relatively high turbidity, such as mine water from the mining area after treatment. The smelting sites located on the waterfront use seawater in the cooling process.

We are also promoting the reuse and recycling of water both between processes and within processes by identifying the requirements of each of the refining processes in terms of water quality and quantity. For example, water that has been used in a process which requires high purity is reused in other processes that require only relatively low purity, and water used once is treated and circulated for reuse in the same process.

Reduction of water pollutants

Each manufacturing site monitors the status of its wastewater, including BOD and COD, which indicate the amount of organic matter in the wastewater, under stricter voluntary standards to ensure compliance with laws, regulations and ordinances. At our smelting sites, we manage wastewater with regard to the concentration of heavy metals and other pollutants, not only according to laws and regulations, but also in compliance with even stricter agreements with authorities and local community groups.

We have several wastewater monitoring stations along the wastewater routes, including wastewater treatment units, confluence points, and discharge outlets, which are constantly monitored by our ICT system for any anomalies. Mitsui Kinzoku Group also collects and manages the monitoring results from each site on a group-wide basis as well as shares emission reduction efforts and technologies.

Assessment and response to water risk situations

We use World Resources Institute (WRI)'s AQUEDUCT Water Risk Atlas*¹ to assess water risks at our manufacturing sites in Japan and overseas, mainly in terms of water stress and flood hazards.

According to the WRI assessment, 10 sites, including those in India and China, are located in areas classified as Extremely High (>80%) water stress, while 5 sites in Indonesia, Thailand, and China are located in areas classified as High (40-80%) water stress. These sites, which mainly manufacture automotive components, had a freshwater withdrawal of 114 thousand m³ in FY2025, or 0.1% *² of the Group's total. At each site, we are working to improve water efficiency by reducing water intake and introducing water recycling facilities.

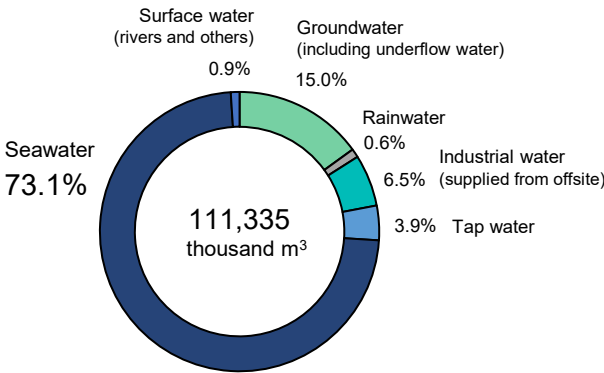
At smelting sites, we are enhancing reservoirs and increasing wastewater treatment capacity to prevent the leakage of wastewater containing heavy metals and other pollutants during heavy rainfall or flooding. An automatic shut-off system for wastewater has also been installed for emergencies such as leaks.

We will continue to monitor the situation, conserve water resources, and minimize the impact on our operations and neighboring areas.

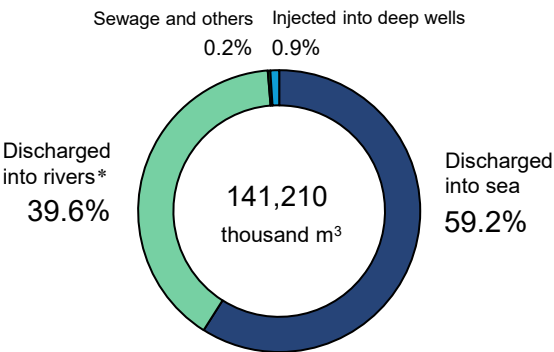
* 1 Used the Baseline Water Stress data from the AQUEDUCT Water Risk Atlas 4.0.

* 2 The site count includes sites that were excluded from the scope of consolidation during FY2025. Water withdrawal volumes for such sites are included up to the time of exclusion.

Breakdown of water withdrawal (FY2025)



Breakdown of wastewater (FY2025)



* The Group's wastewater includes water used in manufacturing processes, as well as mine effluent from mining areas and on-site precipitation. The volume of mine effluent and on-site precipitation varies with changes in precipitation and other factors. Water from these sources that is not used for manufacturing is treated according to discharge standards and released into the sea, rivers, and other bodies of water under the control of each site.

Toward a circular economy

Along with global economic growth, demand for resources and energy is expanding. As a result, the amount of waste is increasing and environmental problems are becoming more serious. Accordingly, there is a growing need to shift from the conventional linear economy based on mass-production, mass-consumption, mass-disposal to a circular economy over the medium to long term. Mitsui Kinzoku Group is committed to effective use of resources, reduction of waste and environmental pollutants, as well as introduction of environmental contribution products to meet the demands of society and achieve sustainable growth.

Resource recycling

Mitsui Kinzoku Group strives to manufacture products by recycling waste and other recycled raw materials in order to make effective use of resources. In the non-ferrous smelting business, we have been recovering zinc, lead, and other metals from waste, and supplying non-ferrous metal products as essential raw materials for industry. This represents our effort to contribute to resource recycling while promoting our business development.

Mitsui Kinzoku Group has established its own recycling network that organically links its seven smelters in Japan for synergy effects. Toward the transition to a circular economy, we are now working to build a more advanced recycling network to expand the use of recycled raw materials and improve processing ability for difficult-to-refine raw materials. To this end, we are advancing separation and purification technologies according to materials, as well as improving technologies in our manufacturing processes.

Waste reduction

Each manufacturing site of the Group strives to reduce waste by minimizing resource use and using resources efficiently.

Total waste emissions reduction target by FY2030

Reduce total waste emissions globally by 50% by FY2030, compared to the FY2013 level

Total waste emissions reduction target by FY2027 (25-27 MTP period)

Reduce total waste emissions globally by 20% by FY2027, compared to the FY2013 level

* Excludes tailings and waste materials utilized through recycling or thermal recovery.

* Coverage of the global consolidation.

We work to reduce waste by improving the recovery rate of valuable resources, promoting the 3Rs of packaging materials, and improving the yield rate of manufacturing processes. Site-level analysis indicates that waste generation tends to be relatively high at smelting facilities. In particular, sludge produced during manufacturing and wastewater treatment processes accounts for more than half of the total waste, making it a key target for reduction. To address this, we are not only revising operational processes but also expanding the use of sludge as a recycled material in metal smelting.

Total waste emissions reduction targets and progress

	Baseline year FY2013	Reporting year FY2025	Target year FY2027	Target year FY2030
Emissions	24,749t	14,983t	19,799t	12,375t
% of Baseline year	100%	61%	80%	50%

Total waste emissions in FY2025 were 61% of the FY2013 level, indicating performance ahead of the trajectory required to achieve the FY2027 target.

Reduction of chemical substance emissions

Mitsui Kinzoku Group seeks to appropriately manage chemical substances and reduce their emissions. Because domestic sites account for more than half of its total releases and transfers of substances subject to the PRTR system, the Group is focusing its chemical substance management efforts on domestic sites. In addition, in light of the impacts of VOCs on human health and air quality, the Group established a new reduction target in FY2025 for VOC emissions to the atmosphere.

VOC emissions reduction target by FY2030

Reduce VOC emissions to the atmosphere by at least 85% by FY2030, compared to the FY2013 level

* Covers the scope of domestic consolidation, including Mitsui Kinzoku and domestic consolidated subsidiaries.

* VOC (Volatile Organic Compounds): A general term for organic compounds that readily evaporate into the atmosphere. Some VOCs include substances that may have adverse effects on human health and air quality.

We have continued to reduce atmospheric VOC emissions through improvement activities at each site. To achieve our 2030 reduction target, we are focusing primarily on painting processes, where VOC emissions are relatively high, by reviewing work methods, switching to low-VOC paints and water-based materials, and reducing solvent use in cleaning processes.

For other chemical substances, the Group complies with relevant laws and regulations, including the RoHS Directive and REACH Regulation, and continues to appropriately manage these substances while monitoring, controlling, and reducing their transfers and releases.

Going forward, Mitsui Kinzoku Group will continue to ensure thorough chemical substance management in accordance with regulations in each country and region, while sharing and rolling out improvement initiatives from individual sites across the Group to reduce environmental impacts throughout business activities.

VOC emissions reduction target and progress

	Baseline year FY2013	Reporting year FY2025	Target year FY2030
Emissions	10,790kg	1,684kg	1,618kg
% of Baseline year	100%	15.6%	15.0%

* Coverage of the domestic consolidation.

Plastic recycling

Mitsui Kinzoku Group is committed to proper disposal of plastic waste and the recycling of resources. Plastic waste generated at domestic sites represents approximately 95% of the Group's total, positioning it as the primary focus of reduction efforts.

Plastic waste reduction targets and progress

	Baseline year FY2023	Reporting year FY2025	Target year FY2027
Emissions (tons)	2,077	2,120	1,945
Utilization Rate (A+B)	70%	77%	82%
Recycling rate (A)	34%	28%	44%
Thermal Recovery Rate (B)	36%	49%	38%

* Covers the scope of domestic consolidation, including Mitsui Kinzoku and domestic consolidated subsidiaries.
* Revised the values for FY2023 disclosed last year.

In manufacturing processes that use plastic materials, we are reducing both usage and emissions by improving yield rates. We are also working to switch to other materials such as metals and paper. In packaging materials, we are promoting the 3Rs and shifting to other materials.
In addition, we are introducing new equipment to convert waste that was previously disposed of into valuable materials that can be reused and recycled. Moreover, we are pursuing ICT-enabled approaches for visualizing waste data and increasing work efficiency as well as considering adopting new reduction measures.

Establishment of the Nature Positive Declaration

In May 2026, the Group established and published its Nature Positive Declaration, which sets out its basic approach and policy for initiatives related to natural capital and biodiversity. The Declaration sets forth the following commitments.

1. Identifying and Understanding the Relationship Between Business and Nature

2. Avoiding and Minimizing Negative Impacts on Nature, and Promoting Conservation and Restoration

3. Linking Nature-Positive Initiatives to Value Creation

4. Promoting Initiatives Together with our Stakeholders

Using the Declaration as a guideline, the Group will promote initiatives toward nature positivity at its sites in Japan and overseas, taking into account the characteristics of each region.

Disclosure based on the TNFD recommendations

Mitsui Kinzoku Group continues to advance its analysis of nature-related issues and enhance related disclosures based on international frameworks through its support for the TNFD*1 recommendations and registration as a TNFD Adopter.
Following a preliminary study conducted in FY2024, the Group is currently using the LEAP*2 approach proposed by the TNFD to assess its dependencies and impacts on natural capital, as well as related risks and opportunities, across its business activities and supply chain. In FY2025, the Group identified two priority locations and conducted detailed analyses. During the 25–27 MTP period, the Group plans to gradually expand the number of sites subject to analysis and disclose the results in stages. Through these initiatives, the Group will deepen its understanding of the relationship between its business activities and natural capital and further enhance activities aimed at coexisting with local ecosystems.

* 1 Taskforce on Nature-related Financial Disclosures
* 2 An approach consisting of four phases: Locate, Evaluate, Assess, and Prepare.



Initiative toward nature positivity: Site visit to nearby rivers with the Takaharagawa Fisheries Cooperative Association (Kamioka Mining & Smelting)

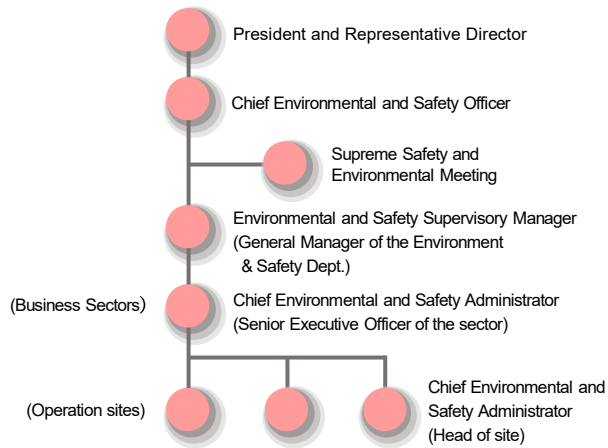


Occupational health and safety

Policy and management system

Mitsui Kinzoku Group is committed to creating a safe and comfortable work environment. This is based on our Basic Policy on Health and Safety, in which it states that “ensuring the health and safety of all people working for Mitsui Kinzoku Group is the most important element for conducting business activities.” We also believe that the development of a corporate culture that places health and safety first will lead to increasing productivity and reducing operational and business risks, and even to strengthening our relationship of trust with employees and solidifying our business foundation in the medium to long term. The Basic Policy on Health and Safety, along with KPIs and initiatives, covers all employees working in the Group, including those of cooperative companies and contractors.

Environmental and Safety Management System



Health and safety management system

All major sites of Mitsui Kinzoku Group manage occupational health and safety in accordance with ISO 45001. For small-sized sites, we developed an internal certification system. At each site, we work to realize an upward spiral motion by going through the PDCA cycle in accordance with the management system. Improvements to the issues identified by the review are incorporated into measures such as risk assessments and health and safety training.

Safety audit

We implement periodic internal safety audits to confirm the operational situation of the management system at each site. The internal safety auditing body checks for compliance with laws and regulations as well as the Mitsui Kinzoku Group's voluntary standards. The audits also identify hazardous places and follow up on corrective actions to promote ongoing safety improvements.

* More information on occupational health and safety is available on our website.

<https://www.mitsui-kinzoku.com/en/csr/society/occupational/>

Health and safety education and training

Mitsui Kinzoku Group conducts health and safety training for employees regularly to increase their level of awareness of health and safety, ensure thorough compliance with health and safety regulations, and cultivate a corporate culture that places health and safety first.

Health and safety education and training provided in FY2025

Purposes	Major training programs
Expand knowledge on health and safety across the Group (Knowledge required for each position, key initiatives in the year, good practices, latest trends)	• New employee training • Job-rank-based safety training • Laws and regulations lecture • Lecture by an external expert • Group study session for safety and environmental experts
Promote compliance with safety rules and improve risk perception at manufacturing sites	• “<i>Kiken Yochi</i>” activity (hazard prediction) • Experiential risk training, VR training
* Employees of cooperative companies and contractors are also subject to these training programs.	• Risk assessment training • Safety communication activity • PPE training • Emergency training (fire/earthquake)

Accident prevention initiatives

We strive to promote safety awareness and prevent accidents to create safe work environments for all. To achieve this, we enhance safety education, establish Mitsui Kinzoku's own safety standards based on applicable laws and regulations, revise work manuals, foster continuous on-site communication and verification for employees from various backgrounds, including new, senior, and foreign national employees.
To prevent accidents caused by human error, we have expanded the scope of the lockout system from electricity to other risk factors, such as residual energy and liquid chemicals, while also providing ongoing specialized training. Since the system was introduced, no accidents have occurred due to failure to implement lockout.
The Group also promotes the Intensive Warm-up Stretching program with the aim of preventing occupational accidents and improving employee health. Conducted during working hours at all manufacturing sites in Japan and based on the principle of participation by all employees, the program helps further instill safety awareness while maintaining and enhancing physical capabilities. As a result, it has contributed to accident prevention, including a reduction in fall-related accidents among senior employees.

Safety performance in 2025

In 2025, the total number of accidents in the Group was 53, including those at cooperative companies and contractors, and we achieved zero fatalities.
There were 37 accidents in Japan, accounting for 70% of the total number of accidents across the Group, with the two most common accident types being caught-in/between incidents and slips, trips and falls. In terms of the number of affected workers, 60% were employees of Mitsui Kinzoku Group, while 40% were employees of cooperative companies and contractors.
We will continue to scrutinize and analyze the causes of the accidents and take measures to prevent recurrence.

Human Capital Management

Review of FY2025

Recognizing people as its most important management capital, Mitsui Kinzoku Group is promoting human capital management toward realizing the Human Resources Department's Vision for 2030: "We seek to achieve our business management strategy and employee satisfaction based on foresight and talent specialization."

A particularly important challenge is to create three conditions from the perspective of respecting each individual: job satisfaction, motivation to work, and a comfortable work environment, so that diverse talent can fully demonstrate their capabilities and work with energy and enthusiasm. It is also important for the organization to maintain and enhance its ability to assign the right people to the right roles and develop them, thereby ensuring

that the relationship between individuals and the Company remains mutually beneficial. In FY2025, the first year of the 25–27 MTP, initiatives toward achieving the KPIs generally progressed as planned. At the same time, precisely because the outlook remains uncertain, we recognize the need to flexibly review how each initiative is implemented in response to changing circumstances. We are still only partway toward realizing our Vision for 2030. From FY2026 onward, while steadily monitoring progress and remaining firmly committed to our fundamental direction, we will continue to enhance human capital so that the people needed to execute our management strategy can fulfill their roles appropriately and at the right time.



HANANO Masakazu

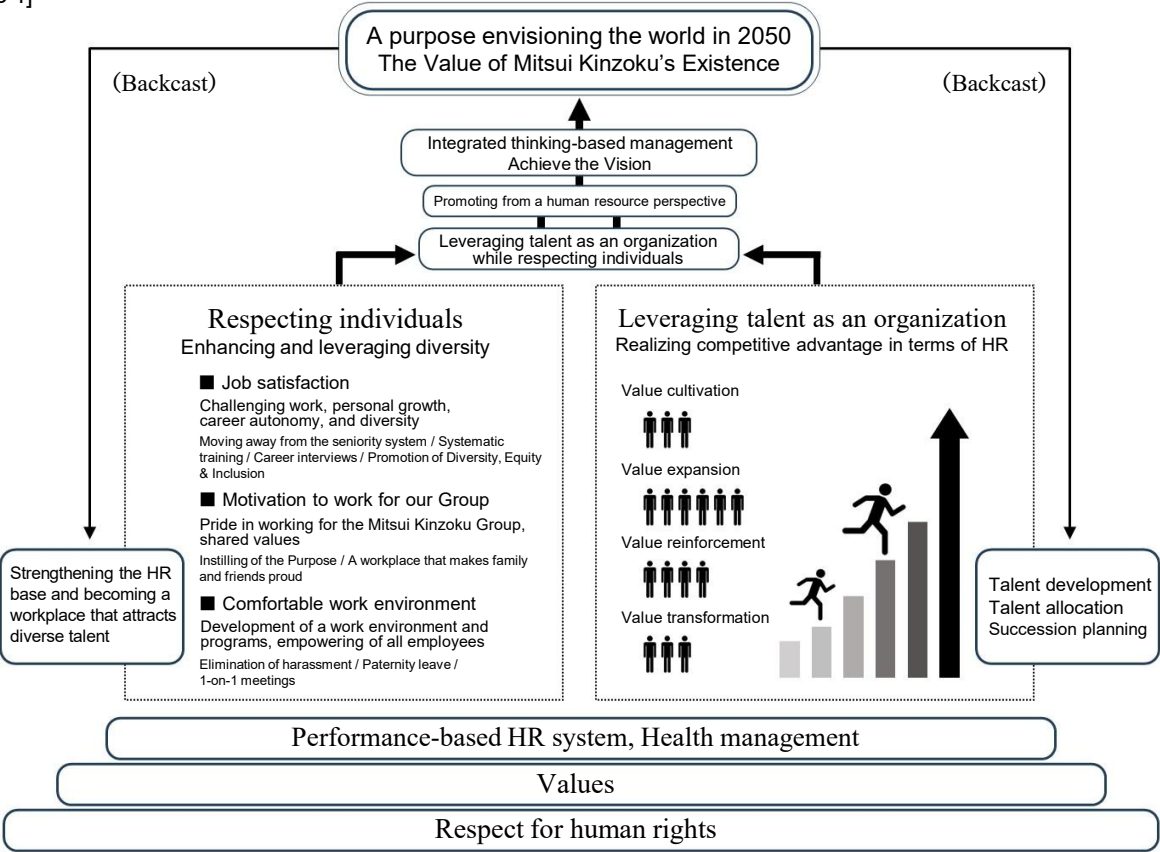
Executive Officer
Corporate Planning & Control Sector,
General Manager
of Human Resources Department

1. Human capital management strategy

Mitsui Kinzoku Group's human capital management strategy (Figure 1) is premised on respect for human rights and is founded on practicing the Values, which serve as guidelines for action, ensuring the effective operation of its performance-based HR system, and strengthening health management. Respecting individuals (the left side of the figure) and leveraging talent as an organization (the right side) are the two pillars of our strategy. From the individual perspective, we implement initiatives to foster job

satisfaction, motivation to work and a comfortable work environment. From the organizational perspective, we implement initiatives based on the business evaluation, such as strategically allocating talent, developing the capabilities required to support such allocation, and cultivating successors for key positions. Through the synergy between these two strategic perspectives, we will achieve the Vision at an even higher level, thereby advancing the realization of our Purpose.

[Figure 1]



2. Foundation of the human capital management strategy

2-1. HR system and performance evaluation and compensation

Since FY2022, Mitsui Kinzoku Group has been fundamentally reforming its HR system by introducing a job-type, performance-based system centered on duties and roles, under which the jobs required to execute the management strategy are defined and people are assigned to those jobs. The system enables multiple career paths for specialists as well as generalists. At the same time, we abolished the conventional distinction between sougoushoku (career-track positions) and ippanshoku (non-career-track positions) and give talented people with demonstrated capabilities opportunities to contribute, regardless of years of service, seniority, or educational background. Through these reforms, we aim to invigorate the organization and foster a culture of taking on challenges.

In FY2025, to embed the Values in the corporate culture, Mitsui Kinzoku newly incorporated the setting of individual goals based on the Values and the degree to which they are achieved into the

performance evaluation criteria. In response to issues with the new HR system raised by operational sites during the Human Resources Caravan, we also introduced a systematic evaluation feedback mechanism and made certain improvements to the performance evaluation system. The evaluation system was revised to accommodate ambitious goal setting, and the link between performance and compensation was strengthened. In addition, we engaged in labor-management dialogue concerning working conditions, including compensation, and made them competitive with industry standards.

As a result of the fundamental reform of the HR system, the number of years employees spend in a grade before promotion has become more varied, and the proportion of women among employees promoted has increased, indicating that promotions based on demonstrated capabilities are taking place.

2-2. Enhancement of health management

Mitsui Kinzoku Group regards the physical and mental health of employees and their families as an important management issue. It has publicly announced its commitment to health management internally and externally and is implementing various initiatives. Since FY2025, the Group has designated three priority areas for its health initiatives: eliminating indoor smoking areas and supporting smoking cessation, improving dietary habits, and fostering a culture of exercise.

We have established absenteeism*1 and presenteeism*2 as KPIs for our health management initiatives and conduct an annual health management survey of all employees in Japan to measure their effectiveness. According to the results of the March 2026 survey, absenteeism was 3.9 days and presenteeism was 15.3%, with presenteeism showing improvement. Mitsui Kinzoku has been certified as a Health and Productivity Enterprise every year since 2019.

* 1 Absenteeism: Missing work due to health problems

* 2 Presenteeism: Decreased efficiency due to some kind of health problem despite being present at work

3. Human capital management strategy: Respecting individuals

3-1. Job satisfaction reforms and DE&I

As part of our individual-focused strategy, Mitsui Kinzoku is pursuing job satisfaction reforms and diversity initiatives. We have formed a Diversity, Equity, and Inclusion Committee*3 (chair: President and Representative Director IKENOBU Seiji; advisor: Outside Director TAKEGAWA Keiko). Under the President's direct initiative, Mitsui Kinzoku has established and manages KPIs related to materiality (Table 1). For the KPIs, the Senior General Managers of each business sector are responsible for progress within their respective sectors and report that progress to the Committee, thereby establishing a framework in which the business sectors take ownership of the initiatives. The matters discussed by the Committee are regularly reported to and discussed by the Board of Directors.

Issues identified and directions for improvement are reflected in the Committee's review and prioritization of initiatives. Director compensation is also linked to the KPIs through ESG indicator-based restricted stock compensation (P.64). This framework is designed to ensure continuous improvement in line with the management strategy.

In 2025, Mitsui Kinzoku was selected as a "Nadeshiko Brand" and received the highest award, the "Platinum Ring," at the Psychological Safety Awards 2025, organized by ZENTech Inc. In 2026, the Company was selected as a "Next Nadeshiko: Companies Supporting Dual Careers and Co-parenting."

* 3 The Diversity, Equity, and Inclusion Committee: <https://www.mitsui-kinzoku.com/en/csr/society/diversity/#block02>

FY2025 KPI progress		Key initiatives contributing to results
Iki-iki active engagement (company-wide average)	54% (Achieved)	Promotion through a framework centered on the Senior General Managers of each business sector and leaders responsible for job satisfaction reforms
Rate of women among newly hired employees	24% (Achieved)	Target setting for each business sector, recruitment activities, and enhanced PR initiatives
Rate of paternity leave taken by male employees	75% (Achieved)	Establishment of an income compensation scheme and promotion of childcare leave uptake

【Job satisfaction reforms】Creating an environment where employees can work with energy and enthusiasm

In FY2025, Mitsui Kinzoku implemented new initiatives, including cross-site exchange meetings on job satisfaction, management training for managers, including training on supportive approaches, and the sharing of best practices across sites.

In addition, toward the 2030 target of achieving a 70% “Iki-iki active engagement” indicator, the Rewarding and Engaging Work Promotion Office, a dedicated department, analyzes engagement survey results and, based on those results, visits operational sites to conduct interviews and dialogue sessions. It then implements improvements tailored to the culture and characteristics of each site.

To eradicate harassment, which is essential to improving engagement, the Group has established a Group policy on harassment prevention and is implementing initiatives in accordance with that policy.

FY2025 Harassment Prevention Initiatives

- As the Harassment Eradication Month campaign, the President issued a message to raise awareness.
 - Internal surveys are used to identify sites where there are concerns about harassment. Interviews are then conducted at the relevant sites with the support of an external specialist organization, and preventive improvement measures are implemented.
- Harassment consultation desks are established in each sector and at each site so that employees can seek advice. The labor and social security attorneys with whom the Group partners regularly provide training to those responsible for the consultation desks.
 - A whistle-blowing contact point that allows anonymous reports has been established and is operated (P.75).

【DE&I】Systems and initiatives that enable employees with varying personal circumstances to work flexibly

Balancing work and caregiving

Mitsui Kinzoku publishes a handbook that provides basic information on caregiving, raises awareness of an external consultation service, and operates an internal community website.

Understanding of sexual minorities

To promote broader understanding of sexual minorities, Mitsui Kinzoku has set obtaining the PRIDE Index (by FY2030) as a KPI and is strengthening its awareness-raising and supporting initiatives. We have established a SOGI consultation desk on our intranet and conduct employee ally declaration campaigns and video-based training.

Employment and development of persons with disabilities

At workplaces where persons with disabilities are employed, Mitsui Kinzoku undertakes initiatives aimed at improving each employee's vocational capabilities in line with their individual characteristics. To help employees envision their career paths, Mitsui Kinzoku supports them in setting a “My Purpose” and annual goals and holds interviews with them. In addition, we use assessment tools to identify job aptitude and undertake initiatives to clarify the actions needed to achieve greater independence. Mitsui Kinzoku has been operating two workplaces for persons with disabilities in Japan, and in April 2026 it opened Ageo Laundry Lab (A.L.L.) in Ageo, Saitama Prefecture, as its third workplace for persons with disabilities. A.L.L. centrally handles tasks such as collecting and laundering workwear used at workplaces in the same area. At these facilities, regular assessments are conducted, and measures such as displaying work procedures in large format and increasing illumination are implemented, creating safe workplaces where employees with disabilities can work comfortably. Mitsui Kinzoku Group is linking the employment and development of persons with disabilities to improved productivity across the Group. (Percentage of employees with disabilities P.91)

[Table 1] KPIs related to human capital management materiality

Acceleration of job satisfaction reforms	Performance in FY2025	Plans for FY2026	KPIs for FY2027	Goals for FY2030
<i>Iki-iki</i> active engagement – company-wide average % (engagement indicator)	54%	53%	55%	70%
DE&I				
Rate of women among newly hired employees	24%	23%	24%	27%
Rate of paternity leave taken by male employees	75%	78%	85%	—
Communication indicator	46%	41%	45%	60%
Rate of women in managerial positions	5.8%	6.2%	6.8%	10%
External evaluation	<i>Eruboshi</i> certification <i>Next Nadeshiko</i>	<i>Eruboshi</i> certification <i>Nadeshiko</i> Brand	<i>Eruboshi</i> certification <i>Nadeshiko</i> Brand <i>Kurumin</i> certification	<i>Platinum Kurumin</i> Certification Bronze Certification under the <i>PRIDE Index</i>

3-2. Career development support

Under its performance-based HR system, Mitsui Kinzoku recognizes employees' right to choose their own career paths and encourages them to take ownership of their careers. Through dialogue between the Company and employees, the Company aims to support employees in realizing their career visions. Mitsui Kinzoku makes job descriptions available for all managerial positions and all non-managerial roles, helping employees consider and realize their career visions.

In addition, through one-on-one meetings, career interviews, and an expanded self-reporting system that enables employees to communicate their career preferences to the Company, we have established a platform for dialogue between the Company and employees. This has enabled the Company to support capability development based on each employee's career vision, aptitude, and capabilities.

Talent assessment

For senior and junior management positions, Mitsui Kinzoku has an external specialist organization conduct talent assessments as part of the promotion selection process. Employees are encouraged to use feedback on their strengths and weaknesses in considering their career visions. At the same time, the Company uses the assessments to understand the expertise and strengths of its talent, as well as skills that are lacking, and to identify the skills that need to be strengthened to execute the management strategy and develop related initiatives.

Self-directed learning and reskilling

Mitsui Kinzoku not only specifies mandatory learning but also supports self-directed learning and reskilling toward employees' individual career visions. Through its cafeteria-style training programs, including the online learning platform MLP (Mitsui-Kinzoku Learning Platform) and correspondence courses, the Company provides employees with opportunities to access a broad range of learning content aligned with their career visions.

4. Human capital management strategy: Leveraging talent as an organization

Within the Human Resources Department, Mitsui Kinzoku has established a Human Resources Business Partner (HRBP) Office and assigned HRBP personnel with in-depth knowledge of the respective businesses to each business sector. The HRBP Office and HRBP personnel implement initiatives for the strategic utilization of talent across the organization and support the execution of management and business strategies from an HR perspective.

【Leveraging talent as an organization】A framework that supports agile talent allocation aligned with business positioning

Identification and development of human resources to support the building of new businesses

- Simulating the number of people required by job type
- Internal development of job types for which mid-career recruitment is difficult

Improvement of the accuracy of assigning the right people to the right positions based on data

- Expansion of the centrally managed database
- Evolution of personnel matching (avoidance of career goal mismatches)

4-1. Talent asset allocation

In FY2025, to effectively implement Group-wide talent asset allocation linked to the dynamic management of the Group's business portfolio, the Group conducted three-year talent simulations for businesses positioned in the upper section of the business evaluation matrix (P.35) and identified the job categories and roles that would be required. In addition to recruiting new graduates and experienced hires in each business based on its regular workforce plan, the Group adopted an approach of designating, based on the simulations, the talent required for allocation to execute new business strategies, securing their successors in advance from within existing businesses, and developing them.

4-2. Talent management

The Group is advancing talent management by centrally managing talent information across the Group using digital technologies and utilizing that information when considering talent allocation. The Group also identifies the talent needed over the medium to long term through the development of succession plans for key positions, including heads of business sectors, and develops talent capable of driving ambidexterity using information from talent assessments.

5. Dialogue with stakeholders

5-1. Dialogue with employees

To instill our human capital management strategies and measures in our employees, the Executive Officer and General Manager of the Human Resources Department, who is a senior manager at Mitsui Kinzoku, has given briefings and held discussions at domestic manufacturing, development, and research sites as part of a Human Resources Caravan since FY2022. In FY2024, the Human Resources Department explained its strategies, performance-based HR system, career development support, and job satisfaction reforms to executives, managers, general employees, labor unions, and others at each site, and exchanged views on the operation of these initiatives, working conditions, and other human capital initiatives. In FY2025, the Human Resources Department organized the feedback and issues raised by the sites and implemented improvement measures while engaging in labor-management dialogue. The Human Resources Caravan was also conducted, focusing primarily on sites where significant issues had previously been identified, to share improvements and follow up on the issues at those sites.

5-2. Dialogue with external stakeholders

In November 2025, Mitsui Kinzoku held an ESG briefing and shared information on its human capital initiatives and challenges with external stakeholders. We also regularly hold dialogues between institutional investors and Outside Directors, sharing information on the talent needed to realize the management strategy, progress toward KPIs, and specific initiatives. Institutional investors are showing growing interest in areas such as talent diversity, investment in human capital, and talent acquisition. Mitsui Kinzoku reflects these views in the Board of Directors' discussions and oversight and strengthens human capital to support the execution of the management strategy.

Respect for Human Rights

Our approach

Mitsui Kinzoku Group has established a human rights management system based on its Human Rights Policy and is addressing human rights issues in accordance with the United Nations Guiding Principles on Business and Human Rights in order to fulfill its responsibility to respect human rights. We assess human rights risks associated with the Group's business activities, and define the Group's employees, supply chains and local communities involved in the mining business as stakeholders that can be particularly affected by our business activities and a high-priority target to address. Also, we have specified 11 categories of human rights risk factors unique and significant to the Group, including forced labor and child labor. We have formulated the Human Rights Standards, addressing these human rights risks, as guidelines for conducting human rights due diligence (human rights DD).

[Human Rights Management System]
[Human Rights Policy] [Human Rights Standards]
<https://www.mitsui-kinzoku.com/en/csr/society/humanrights/>

[Supply chain management] Page 58
[Mining business] Page 57

Human rights due diligence

The Group began conducting human rights due diligence using self-assessment questionnaires (SAQs) in FY2017, covering all employees, including non-regular and indirectly employed workers. By the end of FY2025, human rights due diligence had been completed at 48 of the 49 applicable sites in Japan and overseas. No serious issues, including forced labor or child labor, were identified through the human rights due diligence conducted to date. However, matters requiring improvement were communicated to the relevant sites, and corrective actions have been continuously implemented. The Group has also developed Group-wide policies and detailed rules for matters requiring a common response and provided training for all employees. In FY2026, we will consider how to conduct human rights due diligence at the one overseas site where it has not yet been implemented, while beginning a second round of human rights due diligence at the sites where it was conducted through FY2025. In the second round, we will review the assessment items in light of changes in the business environment and societal expectations and shorten the human rights due diligence cycle, thereby further strengthening our ability to identify priority risks in a timely manner and take action to avoid or mitigate them. In addition, by combining human rights due diligence with on-site audits where necessary, we will strengthen the framework for improving the effectiveness of corrective actions.

Human rights training

We are conducting human rights training for all employees of our Group in order to ensure proper understanding and awareness of the Human Rights Policy and Standards as well as human rights. In FY2025, 395 employees completed video-based human rights training provided through an online learning platform. In addition, as part of the Compliance Caravan conducted at all sites in Japan, explanations on human rights were provided based on the Code of Conduct, with 3,081 employees participating.

Respect for human rights of foreign-national employees

In May 2026, based on the Mitsui Kinzoku Group Human Rights Standards, the Group established detailed rules to prevent forced labor and respect workers' human rights. The rules define forced labor as any work performed against a person's free will, including debt bondage, prison labor, slave labor, and human trafficking, and establish as a basic policy that the Group does not use forced labor. If forced labor is identified, the Group responds with the utmost priority placed on respecting the human rights of the workers concerned. In addition, when workers are hired through employment agencies or other intermediaries, the Group also conducts human rights due diligence on those intermediaries. Our Group participates in a public-private cooperation platform comprised of industry groups, related government agencies, and business enterprises for promoting a responsible approach toward recruitment and employment of foreign nationals, working to enhance stakeholder engagement. We also operate an internal and external whistle-blowing system (Page 75) as a grievance mechanism to handle issues related to the human rights of stakeholders. Information on this system is disseminated through the corporate website, training, and other channels.

Labor relations

Mitsui Kinzoku Group respects freedom of association and collective bargaining. Mitsui Kinzoku and major affiliates in Japan each have their own labor union under the Mitsui Kinzoku Workers Union. Based on the union shop agreement, all general employees become members of the labor unions. About 70% of the other consolidated affiliates in Japan have labor unions. Labor unions are organized in 7 of the overseas consolidated companies. Labor-management council meetings and labor-management roundtables are held regularly to provide a forum for communication with workers and to sign collective agreements every year. No strikes or lockouts lasting more than a week occurred in FY2025.

	Sites in Japan	Overseas	Total
Employees covered by collective bargaining agreements	4,317	1,048	5,365
Total employees	6,233	2,876	9,109
Coverage rate	69.3%	36.4%	58.9%

* Information on labor unions at several sites is unavailable due to legal requirements.

Mining business

Our approach

Mitsui Kinzoku Group has its roots in the mining business, which is one of the businesses that symbolize the spirit of exploration presented in our Purpose. The Group aims to secure a stable, long-term supply of resources through the development of its own mines, while promoting the sustainable management of its mining business by leveraging the technologies and expertise it has accumulated through many years of mining operations. Based on our materiality, we have formulated a sustainability action plan that takes into account the key risks associated with mining operations, and we manage its progress on an annual basis. In addition, operating mines in which we hold an equity interest of more than 50% conduct annual self-assessment surveys on human rights and environmental matters.

Relationships with the local communities around the mines

Compania Minera Santa Luisa, which 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 FY2025, building on the initiatives undertaken through the previous fiscal year, Santa Luisa further deepened its contributions to local communities. Specifically, it regularly dispatched technical specialists and provided technical assistance focused primarily on livestock development. With regard to a complaint received in FY2022 concerning the passage of ore transport trucks, Santa Luisa completed its response following ongoing consultations and the implementation of corrective measures. It now continues to engage in dialogue with local communities beyond individual cases. Going forward, based on continued engagement, Santa Luisa will contribute to improving local productivity and establishing sustainable livelihoods, while also working to strengthen relationships of trust with local communities.

Summary of the Sustainability Action Plan for Mining Business

KPI (FY2027)	FY2025 Initiatives and results	Scope
Plant a total of 3,000 trees mainly in former waste rock deposition sites	Cultivation of seedlings for planting	Huanzala Mine (Peru)
Add soil and plant grass to suspended mines, closed mines, and waste rock deposition sites	• Continued soil covering and grass planting at former open-pit mining areas (750 m ²) and installation of planting mats (685 m ²) • Trial planting in environmental restoration areas	Kamioka Mine (Gifu, Japan)
• Reduce deposition by reusing tailings • Formulate an emergency response plan for the tailings dam (＊)	• Commencement of technical studies on the use of tailings for underground mine support • Installation of real-time monitoring equipment (including seismic, inclination, and water-level monitoring devices) at the tailings dam • Completion of an emergency simulation and commencement of the formulation of an emergency response plan	Huanzala Mine (Peru)
Share information on biodiversity with local communities (＊)	Preparation of brochures on local flora and fauna and distribution of the brochures to local communities	Huanzala Mine/Pallca Mine (Peru)
Reexamine standards for safe blasting	Joint research with Kyushu University on blasting standards	Akeshi Mine (Kagoshima, Japan)
Provide support for healthcare, education, agriculture, livestock farming, and infrastructure development based on dialogue with local communities (＊)	Discussions on the expansion of local community cultural facilities (bullrings) and conclusion of memoranda of understanding	Huanzala Mine/Pallca Mine (Peru)

* These KPIs were updated in FY2025.

Environmental management

Mitsui Kinzoku Group conducts environmental management throughout the life cycle of each mining operation under its management, from development through mine closure, to minimize impacts on the surrounding environment, including biodiversity. The Group manages water, including the treatment of acidic water, and tailings dams, and conserves biodiversity in compliance with applicable laws, regulations, and guidelines.

Atalaya Advanced Exploration Project

We are advancing the Atalaya Project, an exploration project targeting zinc and lead deposits in the central Peruvian Andes. We started the research in 2006, acquired a 100% interest in 2009, and have continually conducted extensive research and technical discussions to date. In December 2025, we obtained the environmental permits required to carry out a feasibility study. Going forward, we will conduct the feasibility study and proceed with basic design work and a feasibility assessment for mine development. In parallel, we will continue environmental baseline studies, an environmental impact assessment, and procedures to obtain construction permits. Leveraging the technologies and expertise developed through the operation of the Huanzala Mine and the Pallca Mine, we are carrying out exploration and project evaluation activities with due consideration for the surrounding environment and while seeking the understanding of local communities.

We disclose detailed information on our corporate website about our sustainability initiatives in mining business.
https://www.mitsui-kinzoku.com/en/csr/mining_business/

Supply chain management

Our approach

Based on the Mitsui Kinzoku Group Procurement Policy, Mitsui Kinzoku Group has built a supply chain management system and manages impacts relating to labor and human rights, occupational health and safety, the environment, ethics, and other matters across its supply chain. The Group has also put in place a due diligence (DD) mechanism for its supply chain and is working together with its suppliers to implement related initiatives.

In particular, to address supply chain risks effectively, the Group has compiled information on its tier-one suppliers, conducted risk assessments, and identified high-risk suppliers as critical suppliers. Based on these assessments, the Group is advancing related initiatives. The latest developments in supply chain management (SCM) are also shared regularly, including through executive training, with members of the Board of Directors, the supervisory body under the management system. In addition, the Group has established and operates a grievance mechanism for stakeholders, including employees and suppliers (P. 69). No reports concerning supply chain risks were received in FY2025.

[Overview of supplier due diligence]

Within the Group

- Establishing and reviewing the procurement policy (comprising the basic procurement policy and the procurement guidelines, which provide specific guidance)
- Setting targets and KPIs and conducting risk assessments of tier-one suppliers
- Conducting internal SCM training
- Assessing the implementation of the procurement policy across the Group as part of its internal human rights due diligence
- Conducting a supplier briefing (scheduled for FY2026)

Together with tier-one suppliers

- For all tier-one suppliers and new suppliers:
(i) Communicating the procurement policy and requesting implementation of the policy and management of their own suppliers
 - For critical suppliers and high-priority new suppliers:
In addition to (i), (ii) obtaining their agreement to implement the procurement policy through basic transaction agreements and other documents, and (iii) periodically conducting self-assessment questionnaires (SAQs)
 - For suppliers assessed as high risk through (iii):
Implementing corrective actions (through engagement)
- Others:
- Concluding anti-bribery and anti-corruption agreements with suppliers (Ethics/Business Integrity P.75)
 - Working with suppliers to reduce Scope 3 emissions (Environment/Energy consumption and GHG emission P.47)

KPIs and progress under the 25–27 MTP

Under the 25–27 MTP, the Group reestablished its KPIs. In FY2025, the Group identified all suppliers across the Group, assessed their risks based on the criteria below, and identified critical suppliers. The Group will conduct SAQs for critical suppliers to assess both their implementation of the procurement policy and their risk profiles.

FY2027 KPIs (the 25–27 MTP period)

1. Full implementation and collection of SAQs from all critical suppliers: 100%
2. Completed engagement with all C-ranked suppliers on corrective actions: 100%
3. Exploring the implementation of supplier briefings and audits

Risk assessment criteria under the 25–27 MTP (Criteria for identifying critical suppliers)

- (1) All suppliers accounting for the top 80% of the Group's annual procurement spend
- (2) Suppliers of critical parts and other items for which no alternatives are available
- (3) Human resources-related suppliers (including temporary staffing agencies and on-site contractors)
- (4) Suppliers operating in high-risk regions *1 (subject to priority follow-up)

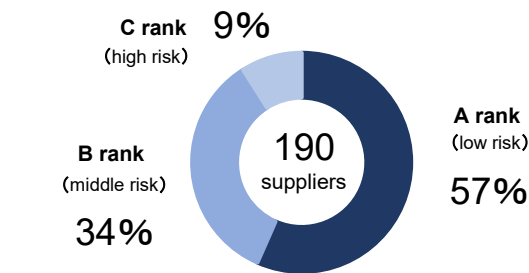
FY2025 KPI progress: SAQ response rate and assessment results for critical suppliers

In FY2025, the Group received responses to the SAQ from 190 critical suppliers, representing a response rate of 82.3%. Suppliers assessed as high risk accounted for 9%. By section, scores tended to be lower for questions relating to “General,” *2 followed by those relating to “Ethics.” The Group also conducted corrective actions (through engagement) with two suppliers that had been assessed as high risk in the SAQ conducted in FY2024. Through this engagement, the Group identifies issues and asks the suppliers to develop improvement plans. The Group regularly reviews their progress and works with them to ensure that the improvements are completed. In FY2026, the Group will continue to conduct SAQs in line with its KPIs and engage with suppliers assessed as high risk.

* 1 Assessed with reference to the Corruption Perceptions Index (CPI), the Fragile States Index (FSI), the INFORM Severity Index, and other indicators.

* 2 “General” comprises questions concerning regulatory monitoring and compliance, supply chain management, administrative guidance, quality assurance and quality misconduct, and business continuity planning (BCP) and risk management.

Results of the supplier SAQ for critical suppliers in FY2025



[Supply chain management system]
<https://www.mitsui-kinzoku.com/en/csr/supplychain/>

Performance in FY2025 (single year)

Measures	Number of supplier responses *
Request to implement the procurement policy	1,025 (887)
Including: New suppliers	761
: Existing suppliers	264
Obtaining agreement through basic purchasing agreements, etc.	466 (228)
Including: New suppliers	354
: Existing suppliers	112
Implement SAQ	265 (90)
Including : Critical suppliers (KPI)	190
: New suppliers	12
: Existing suppliers	63
Implement engagement	2 (12)
Responsible minerals sourcing survey *3	130 (236)

* The numbers in parentheses indicate performance in the previous fiscal year.

* 3 Total number of responses to surveys using industry-standard formats, such as CMRT, EMRT, and AMRT, or other formats.

Initiatives in the Group	Cumulative Participants
SCM Initiatives Overview Training	237
Advanced Training on Procurement Guidelines and the RBA CoC	68
Training on Responsible Mineral Sourcing	163

During the Compliance Caravan, the Group provided an overview of supply chain management to 3,081 participants at its sites in Japan.

Responsible minerals sourcing

As a corporate group in the mineral supply chain, Mitsui Kinzoku Group promotes responsible mineral sourcing. Based on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, we have established the Responsible Minerals Sourcing Policy and developed a management system. We identify covered minerals and CAHRAs *4 and work to mitigate risks related to social and environmental issues in the supply chain, including conflict, money laundering, terrorist financing, and human rights violations.

The business divisions responsible for smelting and related operations have established management systems and procedures, assessed raw material suppliers, and verified matters such as the countries of origin of minerals and transportation routes in accordance with the requirements of initiatives such as the RMI *5, LBMA *6, and LME *7. For suppliers that do not respond to our repeated inquiries, we implement active engagement, including reconsidering our business relationship. Each business division has obtained third-party certification for these initiatives and periodically renews its certification or undergoes reassessment.

In businesses other than smelting, we conduct supply chain due diligence tracing upstream in the supply chain, in line with industry platforms and based on customer requests. We also participate in the Responsible Minerals Trade Working Group of the Japan Electronics and Information Technology Industries Association (JEITA) and engage with downstream companies and international initiatives such as the Responsible Minerals Initiative (RMI).

The Group's smelters are also working to obtain third-party certifications covering initiatives such as supply chain management and responsible minerals sourcing. Hibi Kyodo Smelting Company, Limited's Tamano Smelter has obtained the Copper Mark certification, while Kamioka Mining & Smelting Co., Ltd. has obtained the Zinc Mark certification.

* 4 CAHRAs: Conflict-Affected and High-Risk Areas

* 5 RMI: Responsible Minerals Initiative

* 6 LBMA: The London Bullion Market Association

* 7 LME: The London Metal Exchange

* 8 RMAP: Responsible Minerals Assurance Process

