

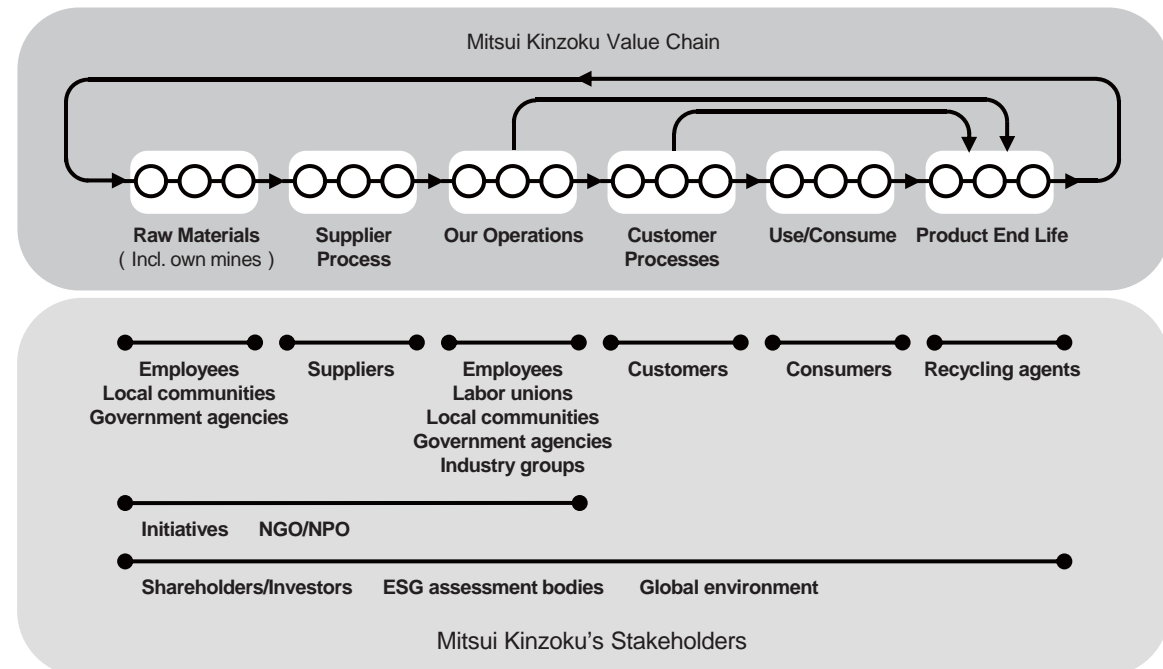
Stakeholders and materiality

Stakeholder identification

Mitsui Kinzoku Group recognizes that the business activities have influence over the economy, environment, and society that reach beyond national borders. We identify our major stakeholders with a high possibility of being subject to impact by utilizing the eight standards of ISO26000. The Earth environment is considered as being one of our major stakeholders. The SDGs indicate the common social and environmental issues and goals that should be shared among multiple stakeholders. In recognition of such global-scale issues, we identify our materiality based on the expectations and requests from our major stakeholders.

Furthermore, in considering our company's social responsibility, we identified our employees (workers), suppliers, and local community as the prioritized stakeholders with a more direct relationship with us and related to our Group's "social and relationship capital".

Stakeholder mapping along the value chain



Step of materiality identification and assessment

Identification FY2016

We identified issues based on the seven core subjects of ISO 26000 and in reference to the Global Reporting Initiative (GRI) guidelines (G4), the Sustainable Development Goals (SDGs) and the questionnaires of CSR assessment organizations.

Narrowing down the categories by crosschecking with our disclosure and the situation in our initiatives.

Based on identified stakeholders, we sorted out and analyzed their major expectations and requests.

By taking into account both the materiality for stakeholders and that for Mitsui Kinzoku, we mapped the candidate issues and identified the 28 material issues which were approved by the top management.

Assessment FY2017

For a future intention to integrate solutions for social and environmental issues into management strategies, we assessed the materiality, whether it is a risk or an opportunity, from the ESG perspective of the GRI standards, and linked the materiality to the SDGs.

Assessment FY2018 [Overview of materiality assessment in FY2018]

In FY2018, we conducted the materiality assessment again in connection to the new medium-term management plan (19 Medium Plan). This assessment was conducted in terms of what will have influence on our long-term value creation ability. This assessment used the SASB*1 standard and the ESG general standards*2 offered by Amundi, the largest asset management company in Europe. The SASB standard lists the disclosure items and indexes that have particular impact on a company's finances by each industry type and ESG issue. The ESG general standards comprised of 15 factors helps to evaluate the level of influence and probability of impact on the company's value.

Utilizing these standards, we extracted from the items required by ESG investment those that may have particular impact on our business model and finances, and grouped them as "materiality issues in the areas of responsibility that relate to the social & relationship and the natural capital".

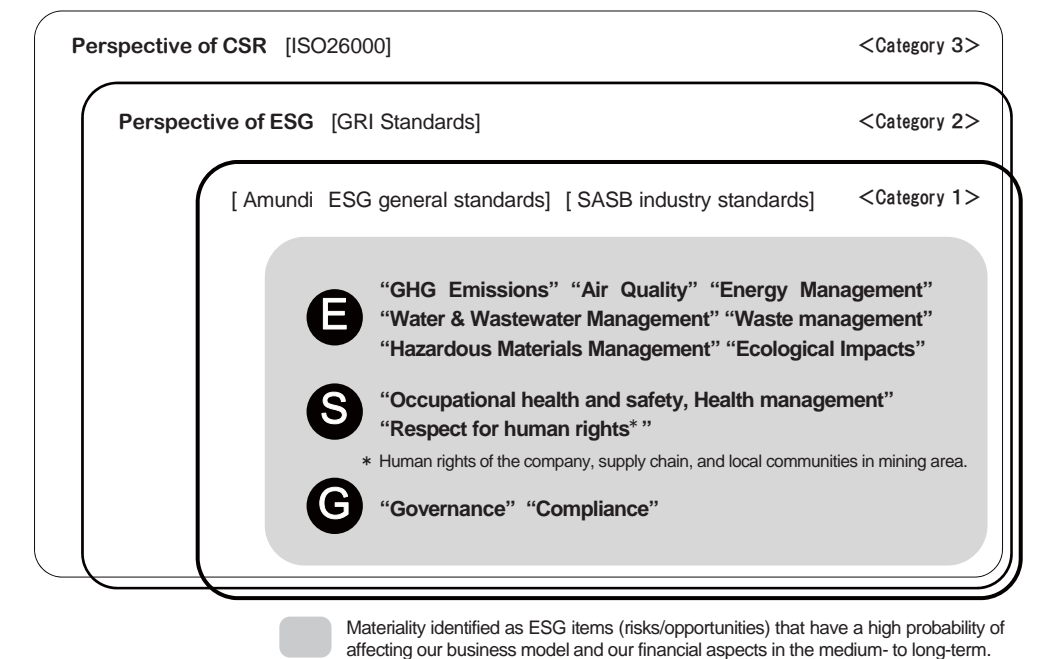
For the SASB standards by industrial sectors, we referred to the Metals & Mining category in the Extractives & Minerals Processing Sector in order to incorporate the risks that are unique to mining.

* 1 SASB Sustainability Accounting Standards Board

* 2 Amundi ESG general standard

<Reference> Amundi Japan (2018) "Introduction to ESG investment that will change society", Nikkei Publishing Inc.

Extraction from the 28 material issues



Material issues in each category

<Category 1>

- 12 Reduce GHG emissions (P.36)
- 13 Creation of renewable energy (P.37)
- 14 Sustainable water use (P.37)
- 15 Wastewater management (P.38)
- 16 Sustainable use of raw materials/resources (P.39)
- 17 Recycling and management of waste (P.39)
- 18 Biodiversity conservation (P.46)
- 19 Manage closed mines (P.47)
- 05 Human rights due diligence (P.41)
- 06 Prohibition of child labor/forced labor (P.41)
- 09 Occupational health and safety (P.34-35)
- 23 CSR procurement (P.44-45)
- 01 Strengthen of corporate governance (P.30-33)
- 02 Full enforcement of compliance (P.40)
- 21 Anti-corruption and anti-bribery (P.40)
- 22 Prohibit of anti-competitive practices (P.40)

<Category 2>

- [Material issues related to business models]
- 25 Co-creation in markets for new engineered materials (P.20-23)
- 26 Recycle-smelting (Implementing materials stewardship) (P.24-25)
- 27 Continuous supply contributing to sustainable mobility (P.26-27)
- [Human capital]
- 07 Diversity (P.28)
- 10 Health management (P.69)
- 11 Develop human resources (P.28)
- 08 Employee engagement [Intellectual capital]
- 03 Information management

<Category 3>

- 04 Spread CSR throughout the Group
 - 28 Contribution to local communities (P.69)
 - 20 Products contributing to the environment [Intellectual capital]
 - 24 Intellectual property (P.70)
- Items that do not have their relevant page numbers are listed in the chart "Progress of material issues" (P. 48-53).