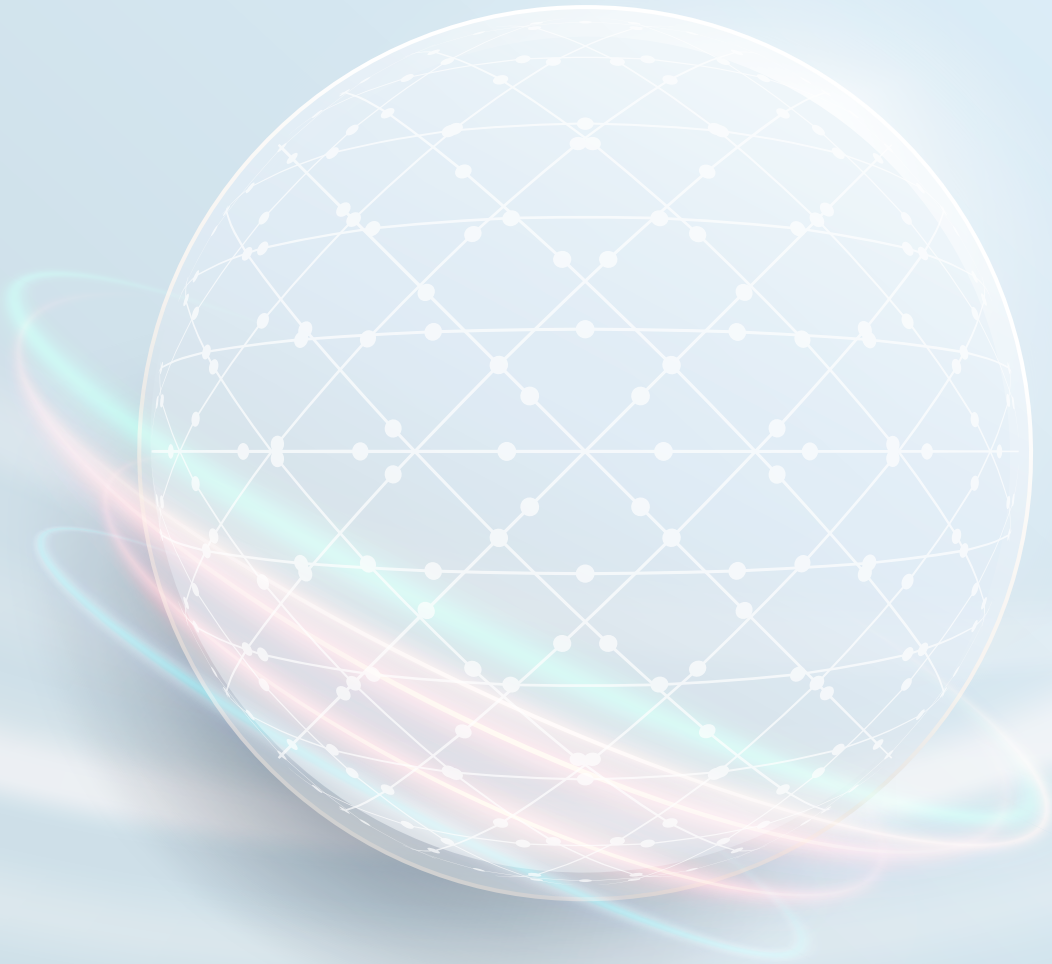


Sustainability Report 2023

 SUMITOMO METAL MINING



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Editorial Policy GRI 2-1/2-2/2-3/2-5

The Sumitomo Metal Mining Group Sustainability Report 2023 aims to report on our Group’s basic approach to the achievement of a sustainable society, our promotion structure and KPIs for achieving Vision for 2030 with respect to material issues, the results of our activities in FY2022, and our future plans.

The report describes our Group’s sustainability-related activities within the framework of environment, society, and governance, along with the positive and negative effects on society of our Group’s business activities and our initiatives to achieve a sustainable society. As tools for engagement with all stakeholders, we followed the Mining Principles of the International Council on Mining and Metals (ICMM) to which we belong and made reference to requirements and disclosures under the GRI Standards, in order to disclose information in line with international guidelines. We also disclose information on climate change in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Through this report, we seek to enhance understanding of our Group’s sustainability activities, to invite wide-ranging comments from stakeholders, and to enhance our activities and information disclosure in the future.

Scope of the Report

Sumitomo Metal Mining Co., Ltd. (SMM)
The Sumitomo Metal Mining Group (SMM and consolidated subsidiaries)
Economic Topics: SMM, consolidated subsidiaries and equity-method affiliates
Environmental Topics^{1,2}: SMM, consolidated subsidiaries and equity-method affiliates (28 companies)
Social Topics¹: SMM and consolidated subsidiaries

1. Our environmental and occupational health and safety reporting covers our consolidated subsidiaries as well as business sites that have been determined to present major impacts
2. Scope: Companies marked with an asterisk in the list of companies on pages 8, 9 and Sumiko Tec Co., Ltd., which the Company sold in November 2022


Period Covered

Japan: April 1, 2022–March 31, 2023
Overseas: January 1, 2022–December 31, 2022
(Some activities before or after the following periods have also been included)

Corresponding GRI Sector Standards

Mining, Metal processing
We plan to disclose information in line with the Sector Standards from FY2024

Independent Assurance

We have received independent assurance from KPMG AZSA Sustainability Co., Ltd. regarding performance data and other data in this report. This report is issued following prior confirmation by our president of the report’s content and of the receipt of independent assurance. Indicators subjected to assurance are noted by the  symbol.

Referenced Guidelines

- GRI’s Sustainability Reporting Standards
- Task Force on Climate-related Financial Disclosures: TCFD
- Corporate Sustainability Reporting Directive: CSRD

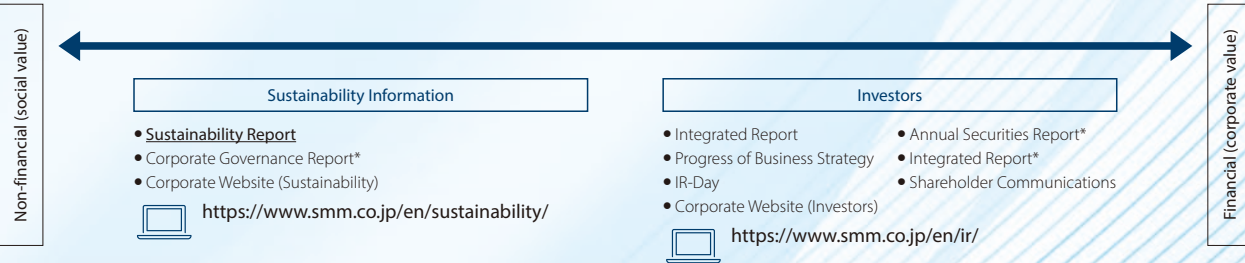
Publication Date

December 2023 (published once a year)

Inquiries

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Information Disclosure Framework



* Timely disclosure and legal disclosure are indicated by an asterisk

Disclaimers

The sums of some data may not match reported totals due to rounding. In addition, some values from previous fiscal year reports may have been revised following reviews of the data.

In this report, CBNC and THPAL are acronyms for Coral Bay Nickel Corporation and Taganito HPAL Nickel Corporation, respectively.

Also, unless otherwise stated, the term “ton” refers to a metric ton.

About future projections, etc.

Future projections, etc. in this report are based on information available to the Company at the time of writing and incorporate risks, uncertainties, and other factors.

Accordingly, future business results may differ from content in this report.

The Sumitomo Business Spirit and the SMM Group Corporate Philosophy

The Sumitomo Business Spirit

Article 1

Sumitomo shall achieve strength and prosperity by placing prime importance on integrity and sound management in the conduct of its business.

Article 2

Sumitomo shall manage its activities with foresight and flexibility in order to cope effectively with the changing times. Under no circumstances, however, shall it pursue easy gains or act imprudently.

(Quoted from the Sumitomo Goshi Kaisha Administrative Regulations, named “Summary of Business Operations”, formulated in 1928)

SMM Group Corporate Philosophy

Sumitomo Metal Mining Co., Ltd. (SMM), in accordance with the Sumitomo Business Spirit, shall, through the performance of sound corporate activities and the promotion of sustainable co-existence with the global environment, seek to make positive contributions to society and to fulfill its responsibilities to its stakeholders, in order to win ever greater trust.

SMM shall, based on respect for all individuals and recognizing each person’s dignity and value, seek to be a forward-minded and vibrant company.

SMM Group Management Vision

By improving technical capabilities, we shall fulfill our social responsibilities as a manufacturing enterprise.

Based on the principles of compliance, environmental protection and operational safety, SMM Group shall pursue maximum corporate value through the securing of resources and the provision of high-quality materials such as non-ferrous metals and advanced materials via its global network.

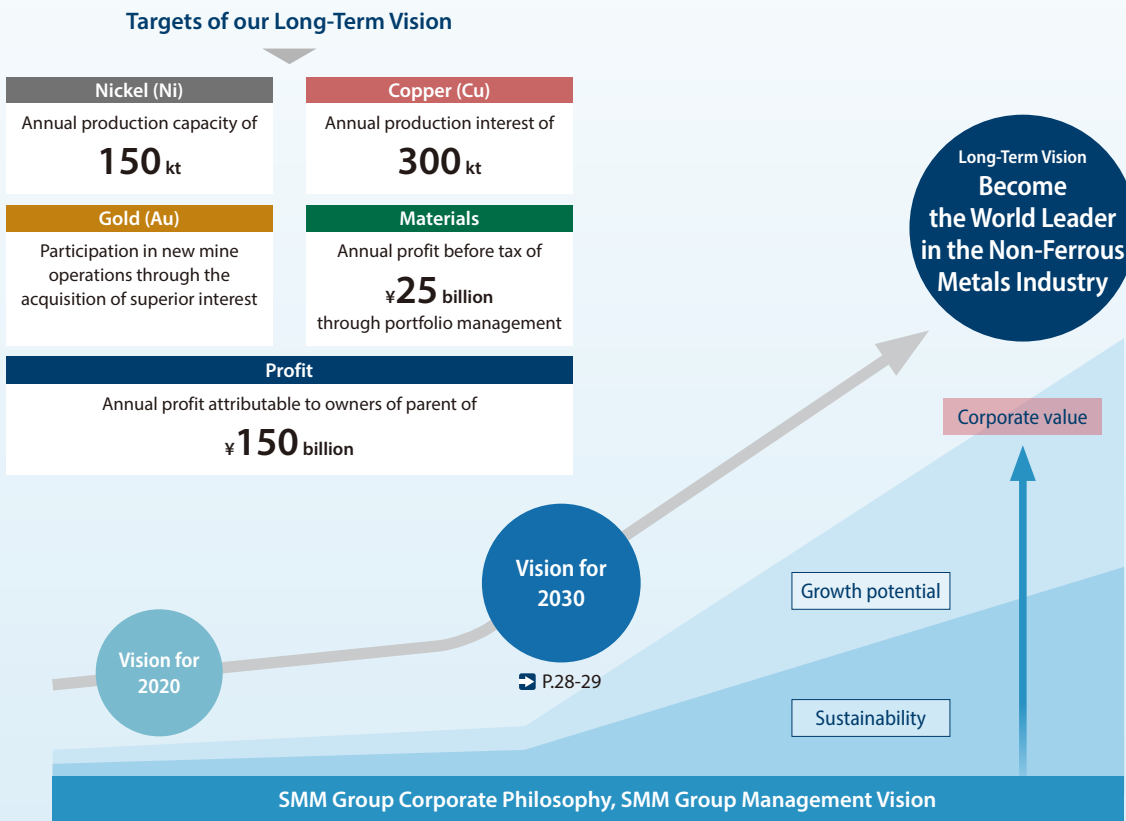
Long-Term Vision

Become the world leader in the non-ferrous metals industry

GRI 2-22

As the world leader in the non-ferrous metals industry we are aiming to

- Have a global presence in terms of mineral resource interests and metal production volumes (= be in the global top five)
- Have leading technology and a unique business model that cannot be easily emulated by other major mineral resource companies
- Grow sustainably and stably produce a certain amount of profit
- Actively tackle social issues such as the SDGs
- Have employees work with spirit



Sustainability at the Sumitomo Metal Mining Group

Our Group carries forward the mine operation and the smelting and refining that have been Sumitomo's original businesses since 1590, placing the Sumitomo Business Spirit at the center of our corporate conduct. Article 1 of the Sumitomo Business Spirit states that we value the trust of society and mutual relationships, and that we will address all matters with integrity. As mining must be conducted where the targeted natural resources are present, typically in projects that span years or even decades, mine operation in particular demands that we build and maintain relationships of trust with varied stakeholders in areas of operations as a prerequisite for the continuity of our business.

Based on the Sumitomo Business Spirit, our Group's Corporate Philosophy calls for co-existence with the global environment and society. It sets out ways of building and maintaining the relationships of trust indicated in the Sumitomo Business Spirit, and advocates respect for all individuals to achieve a forward-minded and vibrant company.

The Sumitomo Metal Mining Group Sustainability Policy describes our stance in working toward the sustainability that are pursuing through co-existence with the global environment and society and respect for all individuals. The policy clearly positions contribution to the sustainable development of society as an issue for our management, and further defines the aim of our sustainable growth as enhancing the degree of our contribution and ensuring its sustainability. This is in accordance with "Benefit self and benefit others, private and public interests are one and the same," the spirit that Sumitomo has inherited, meaning that Sumitomo's business must benefit the nation and society, and emphasize harmony with the public interest.

We have specified issues to be given priority in achieving our Sustainability Policy, identifying these as material issues. We also set out the evaluation that we seek to earn from society through our initiatives to tackle these material issues, in the form of Vision for 2030.

In this way, our Group's stance toward sustainability takes co-existence with the global environment and society and respect for all individuals as its philosophy. Placing value on social trust and mutual relationships, we seek to balance the sustainable development of society with sustainable growth for our company.



Sustainability Issues in the Value Chain GRI 2-6/3-1

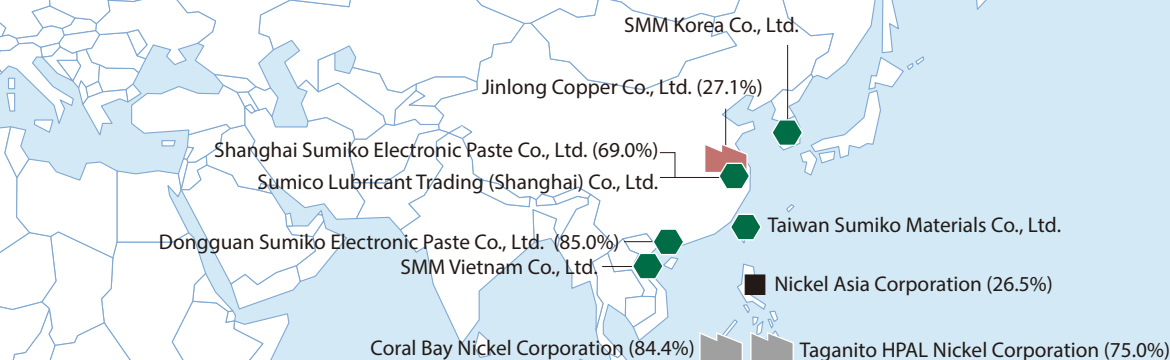
Within the value chains of our Group's businesses, we mapped out sustainability issues in terms of their potential impacts on society. In mapping sustainability issues, we made reference to matters concerning material issues described in the "Global Reporting Initiative (GRI) Sector Standard for Mining".*

Sustainability Issues: Impacts on Society (Referred to the "Global Reporting Initiative (GRI) Sector Standard for Mining.")	Business Value Chain							Stakeholders affected by the SMM Group				
	Suppliers	SMM Group			Customers	End users		Employees on our supply chain	Employees of the SMM Group	Employees of customers and contractors	Consumers and users	Local communities and indigenous peoples
	Business activities	Procurement	Research & development	Manufacture, sale and other activities (management of decommissioned and closed mines, etc.)	Process and manufacture of finished products	Usage	Disposal					
GHG emissions	●	●	●	●	●	●	●	●	●	●	●	●
Climate adaptation and resilience	●	●	●	●	●	●	●	●	●	●	●	●
Air emissions	●			●	●	●	●	●	●	●	●	●
Biodiversity	●			●	●	●	●				●	●
Waste	●			●	●		●			●	●	●
Tailings	●			●	●			●	●			●
Water and effluents	●			●	●	●	●	●	●	●	●	●
Closure and rehabilitation	●			●				●	●			●
Economic impacts		●		●	●	●		●	●	●		●
Local communities	●			●	●	●	●					●
Rights of Indigenous Peoples	●			●		●	●					●
Land and resource rights	●			●								●
Artisanal and small-scale mining	●							●				
Security practices and human rights	●			●					●			●
Critical incident management	●	●	●	●	●	●	●	●	●	●	●	●
Occupational health and safety	●	●	●	●	●			●	●	●		
Employment practices	●	●	●	●	●			●	●	●		
Child labor	●	●	●	●	●			●	●	●		
Forced labor and modern slavery	●	●	●	●	●			●	●	●		
Freedom of association and collective bargaining	●	●	●	●	●			●	●	●		
Non-discrimination and equal opportunity	●	●	●	●	●			●	●	●		
Anti-corruption		●	●	●	●			●	●	●		●
Payments to governments		●	●	●								●
Public policy		●	●	●		●	●				●	●
Conflict-affected and high-risk areas	●	●		●	●			●				●

* Global Reporting Initiative (GRI) Sector Standard for Mining
<https://www.globalreporting.org/standards/standards-development/sector-standard-project-for-mining/>

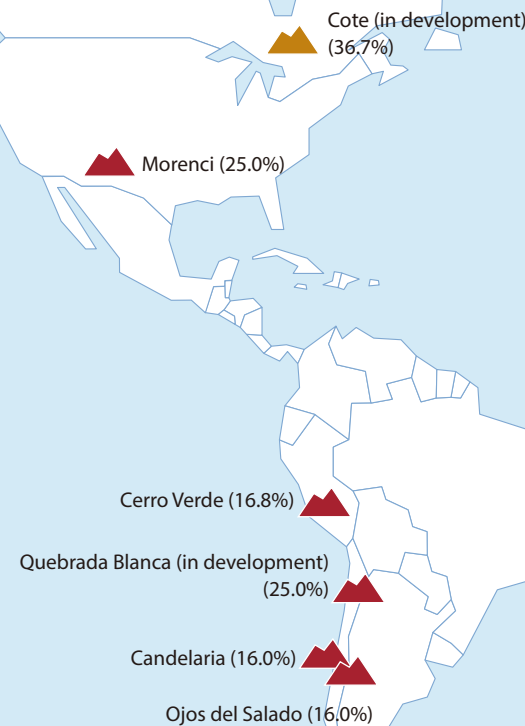
SMM Group Overview

(As of March 31, 2023) GRI 2-2/2-6



- Mineral Resources Segment**
- Copper (Red triangle)
 - Gold (Yellow triangle)
- Smelting & Refining Segment**
- Copper (Red triangle)
 - Nickel (Grey triangle)
 - Other (Blue triangle)
- Materials Segment**
- Major Sites of Materials Business (Green hexagon)
 - Other Major Site / Group Company (Black square)

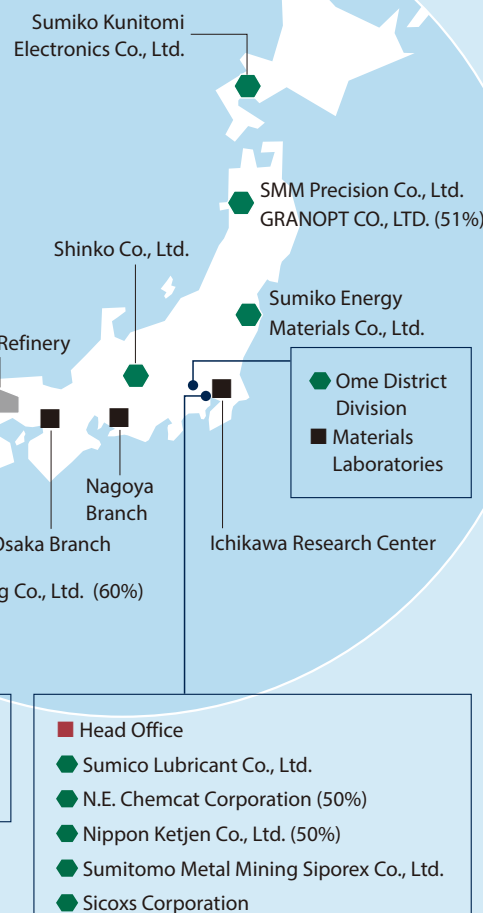
Figures in parentheses indicate percentage interest.
Companies with no percentage written are 100% owned



- Legend:**
- Besshi-Niihama District Division
 - Toyo Smelter & Refinery
 - Niihama Nickel Refinery
 - Shisaka Smelting Co., Ltd.
 - Isoura Plant
 - Niihama Electronics Co., Ltd.
 - Niiham Research Laboratories
 - Battery Research Laboratories

- Legend:**
- Hishikari Mine
 - Ohkuchi Electronics Co., Ltd.
 - Ohkuchi Materials Co., Ltd. (95%)

*The location of the head office is shown for each group company in Japan



2. District divisions refer business sites at certain locations which have workers and equipment, and mainly conduct production and research and development activities, provide support and services for business operations and provide cross-functional management business in a continuous manner (such as Head Office, mines, plants, research centers, branches, business sites which manage decommissioned and closed mines, sales offices). Consolidated subsidiaries and some equity method affiliates are included.

Consolidated subsidiaries | Equity-method affiliates | * Included in the boundary of the environmental performance data

Japan

Sumitomo Metal Mining Co., Ltd.*

Mineral Resources

- Sumiko Resources Exploration & Development Co., Ltd.

Smelting & Refining

- Acids Co., Ltd.
- MS Zinc Co., Ltd.
- Shisaka Smelting Co., Ltd.*
- Sumiko Logistics Co., Ltd.*
- Hyuga Smelting Co., Ltd.*
- Mitsui Sumitomo Metal Mining Brass & Copper Co., Ltd.

Materials

- SMM Precision Co., Ltd.*
- N.E. Chemcat Corporation
- Ohkuchi Electronics Co., Ltd.*
- Ohkuchi Materials Co., Ltd.*
- GRANOPT CO., LTD.*
- Sicoxs Corporation*
- Shinko Co., Ltd.*
- Sumiko Energy Materials Co., Ltd.*
- Sumiko Kunitomi Electronics Co., Ltd.*
- Sumico Lubricant Co., Ltd.*

- Sumitomo Metal Mining Siporex Co., Ltd.*
- Niihama Electronics Co., Ltd.*
- Nippon Ketjen Co., Ltd.*

Other

- Igeta Heim Co., Ltd.*
- JCO Co., Ltd.*
- Sumiko Technical Service Co., Ltd.*
- Sumiko Techno-Research Co., Ltd.*
- Sumitomo Metal Mining Engineering Co., Ltd.*
- Japan Irradiation Service Co., Ltd.*

Asia

Mineral Resources

- Cordillera Exploration Company Inc. (Philippines)

Smelting & Refining

- Jinlong Copper Co., Ltd. (China)
- Sumitomo Metal Mining Management (Shanghai) Co., Ltd. (China)
- Sumitomo Metal Mining (Hong Kong) Co., Ltd. (China)
- Coral Bay Nickel Corporation (Philippines)*
- Nickel Asia Corporation (Philippines)
- Taganito HPAL Nickel Corporation (Philippines)*

- Sumitomo Metal Mining Philippine Holdings Corporation (Philippines)

Materials

- Dongguan Sumiko Electronic Paste Co., Ltd. (China)*
- Shanghai Sumiko Electronic Paste Co., Ltd. (China)*
- Sumico Lubricant Trading (Shanghai) Co., Ltd. (China)
- Granopt Optics Trading (Shenzhen) Co., Ltd. (China)
- Shinko Trading (Zhong Shan) Co., Ltd. (China)
- Taiwan Sumiko Materials Co., Ltd. (Taiwan)*
- SMM Korea Co., Ltd. (South Korea)
- SMM Vietnam Co., Ltd. (Vietnam)*

Other Regions

Mineral Resources

- Compania Contractual Minera Candelaria (Chile)
- Compania Contractual Minera Ojos del Salado (Chile)
- Sumitomo Metal Mining Chile LTDA. (Chile)
- SMMQB Holding SpA (Chile)
- SMM Quebrada Blanca SpA (Chile)

- Quebrada Blanca Holdings SpA (Chile)
- Sumitomo Metal Mining Peru S.A. (Peru)
- Sociedad Minera Cerro Verde S.A.A. (Peru)
- Sumitomo Metal Mining do Brasil LTDA. (Brazil)
- Sumitomo Metal Mining Oceania Pty. Ltd. (Australia)

North America

Mineral Resources

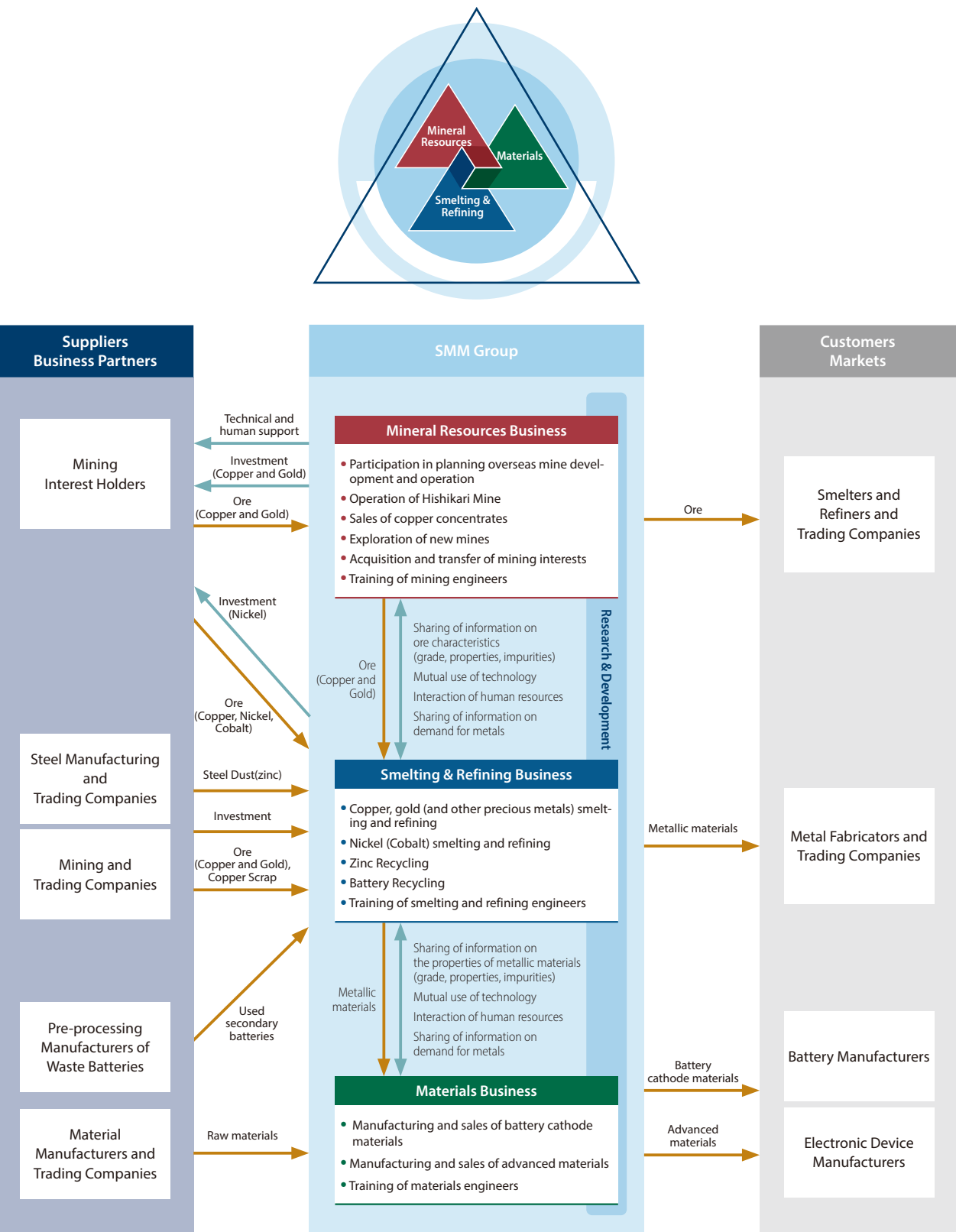
- SMMA Candelaria Inc. (U.S.A.)
- SMM Exploration Corporation (U.S.A.)
- Sumitomo Metal Mining America Inc. (U.S.A.)
- Sumitomo Metal Mining Arizona Inc. (U.S.A.)
- SMM Morenci Inc. (U.S.A.)
- SMM Gold Cote Inc. (Canada)
- Sumitomo Metal Mining Canada Ltd. (Canada)
- SMM Resources Inc. (Canada)

- SMM Cerro Verde Netherlands B.V. (Netherlands)
- SMMCV Holding B.V. (Netherlands)

Smelting & Refining

- FIGESBAL SA (New Caledonia)

SMM Group Business Model GRI 2-6



Business Model—Organic 3-Business Collaboration

Our Mineral Resources Business develops and operates mines in a way that is considerate to the environment and society. Our Smelting & Refining Business then generates high-quality metal materials from the extracted ores. And, our Materials Business adds value to these materials that meet the needs of the times. In this way, SMM has a globally unique 3-business collaboration business model in which we operate three businesses — Mineral Resources, Smelting & Refining, and Materials — which collaborate in an organic way. We are building up competitive capabilities by sharing and utilizing human resources, goods, technology, and information between each business.

Mineral Resources Business

We invest in copper and gold mines, develop mines with our partners, supply ore to our Smelting & Refining Business, and sell some of the ore to outside parties. We also own and operate the Hishikari Mine, where we mine gold ore and supply it to our Smelting & Refining Business.

Smelting & Refining Business

We procure copper and gold ores from the market and our Mineral Resources Business, and nickel and cobalt ores from our investment mines for smelting and processing. As for products, metallic materials are sold to metal fabricators and trading companies, and used for battery cathode materials are supplied to our Materials Business.

Materials Business

In our battery materials business, we procure metallic materials from our Smelting & Refining Business and other raw materials from outside sources, process them into battery cathode materials, and sell them to battery manufacturers. In the advanced materials business, we have various product groups such as crystal materials, powder materials, and package materials, and we procure raw materials internally and externally for processing and selling to customers such as electronic device manufacturers.

Competitive capabilities generated by our 3-business collaboration model

- (1) Great reduction of procurement risk due to the sharing of resource development regulations, supply and demand trends, and other information
- (2) Promotion of efficient development of new products, etc. through the sharing of technological information concerning non-ferrous metals and collaborating with customers in the Materials Business
- (3) A stable supply of highly advanced materials including cathode materials for automobile batteries by collaboration between the Smelting & Refining and Materials businesses
- (4) Optimization of characteristics in the materials we supply through collaboration between the Smelting & Refining and Materials businesses
- (5) Advancement of knowledge and expansion of mining business opportunities through collaboration between the Mineral Resources and Smelting & Refining businesses
- (6) Cutting-edge innovation through the collective wisdom possessed by human resources with diverse backgrounds
- (7) Building of cyclical systems and expansion of opportunities realized through collaboration between the Mineral Resources, Smelting & Refining, and Materials businesses
- (8) Assurance of traceability in terms of quality and the like through a integrated internal supply chain

Recycling

The SMM Group is engaged in various recycling efforts. In the Smelting & Refining Business, we collect steel dust from steel manufacturers and trading companies to produce and sell zinc oxide pellets, which is the raw material for metallic zinc. We also purchase copper scrap from electric wires and other sources, smelt, refine, and recycle it.

In recent years, as the shift to electric vehicles has rapidly progressed, we have been promoting battery recycling by recovering nickel and cobalt from used secondary batteries for automobiles in our Smelting & Refining Business, processing them into metallic materials, and supplying them to our Materials Business to be reused as cathode materials for batteries in our Materials Business. In addition, we have invented a technology to recover lithium from used secondary batteries. We will continue to promote a variety of recycling efforts.

Our History

Through a history of over 430 years, we have provided society with the non-ferrous metals that are indispensable to people’s lives.

Our path toward long-term value creation

The beginning of Sumitomo’s original business: copper smelting and refining business

In 1590, the Sumitomo copper business began in Kyoto as a copper smelting and decorative copper-work operation. By being the first in Japan to perfect a smelting technique known as Nanban-buki for the separation of copper from silver, Sumitomo solidified its business foundation.

Opening of the Besshi Copper Mine triggers discovery of new value, mineral resources

The Besshi Copper Mine operated continuously for 283 years from its opening in 1691 and made a huge contribution to Sumitomo’s development. The opening of the mine presented an opportunity to expand the company’s business to include mineral resources business in addition to copper smelting and refining. The mining technology cultivated at the Besshi Copper Mine continues to be inherited by SMM’s Mineral Resources Business as it expands across the globe.

Adding new metals to the Smelting & Refining and Mineral Resources businesses portfolio

At a time when the importance of gold as a resource was growing, we acquired the management rights for the Kounomai Mine in Hokkaido in 1917. Beginning in 1939, SMM also pioneered and commercialized the smelting and refining of nickel in Japan, which had hitherto relied on imports as nickel could not be smelted domestically.

Entered into the Materials Business

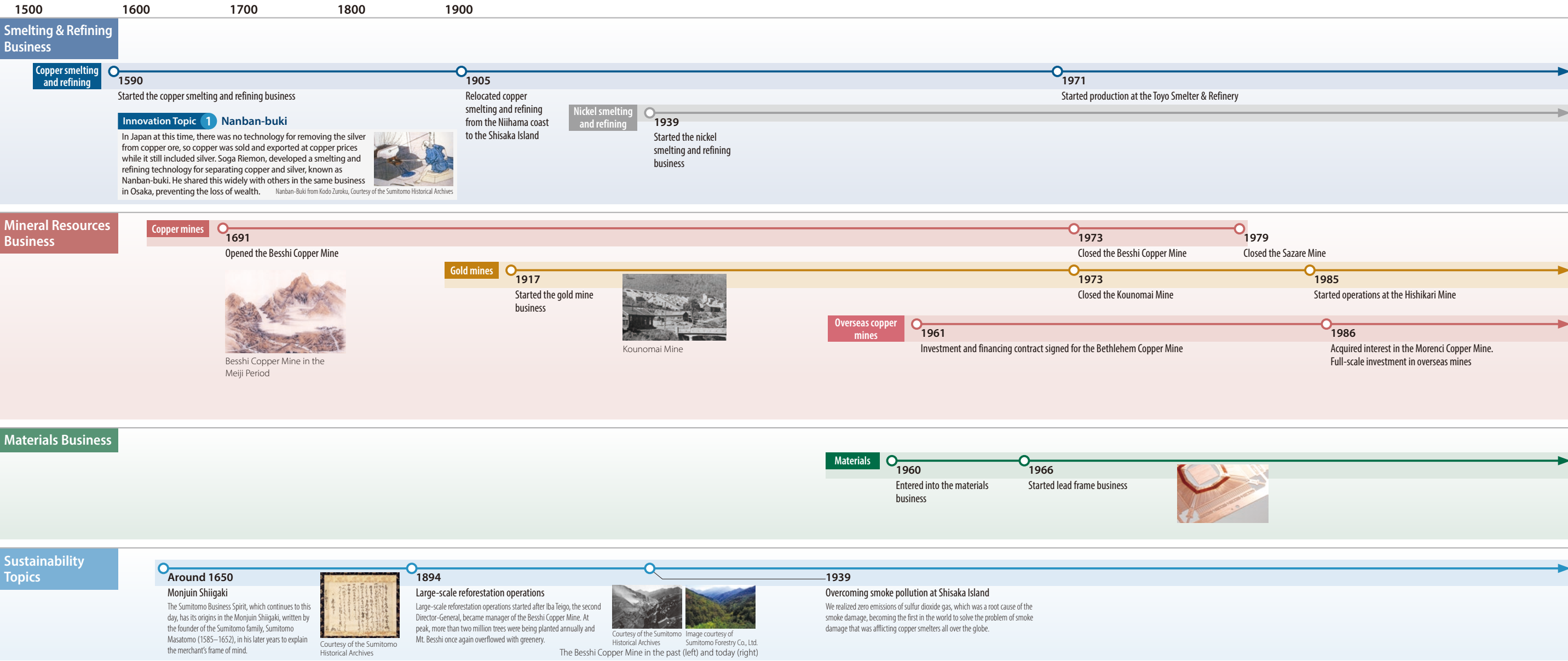
In 1960, the electronic materials business was being watched as a new market, and SMM began production of germanium dioxide for use in transistors. Since then, we have continued to provide the market with various electronic materials.

Participated in overseas copper mines and acquired interests

The downsizing of mines in Japan meant that smelting and refining businesses had to switch to resources procured from overseas. In 1961, SMM signed an investment and financing contract with Bethlehem Copper Mine, beginning the company’s involvement with overseas mines and creating a foothold for the acquisition of mining interests that continues to this day.

Started operation of the Hishikari Mine

With the closure of the Sazare Mine in 1979, the curtain closed for a time on SMM’s long heritage of mining technology. However, in 1985, operations began at the Hishikari Mine and SMM Group’s technology began to chart a new history in a new area. The mine boasted a rich gold content ratio, even to date and has become a primary source of profit for the Group, and it also played a role in passing down our mining technology.



Social Setting

Around 1700

The majority of Nagasaki trade

In the Edo period, about half of all copper produced in Japan for international trade was exported through Nagasaki. In the year 1698, Sumitomo’s annual production reached about 1,500 tons, a quantity that accounted for one quarter of Japan’s copper production.
Export box containing copper bars from Nagasaki (model), courtesy of the Sumitomo Historical Archives

Around 1900

The modernization of industry

Starting in the Meiji Period, with the growth in demand for communications lines, wires for electric lighting, and copper alloy fabricated products, domestic demand for copper increased significantly. The Besshi Copper Mine, which introduced Western-style smelting and refining, supported the industry in Japan.
Besshi Mine Upper Railway, Courtesy of the Sumitomo Historical Archives

Our path toward long-term value creation

Corporate reform since the JCO criticality accident

In September 1999, a criticality accident occurred at SMM subsidiary, JCO Co., Ltd., which manufactured fuel for nuclear power generation. This was a turning point in the management of the SMM Group, whereupon it reflected and in 2000 formulated the Corporate Reform Plan. We have thoroughly fostered and instilled compliance and a culture of safety, and even though more than 20 years have passed since the accident, we will not forget and will pass the lessons learnt on to younger generations.

Return to core business

Since FY2002, following the Corporate Reform Plan, in order to improve our profitability, we have been further promoting business selection and concentration to reform the business and cost structure of the SMM Group to build a corporate structure strong enough to withstand international competition even in a severe business environment.

Promoting the growth strategy

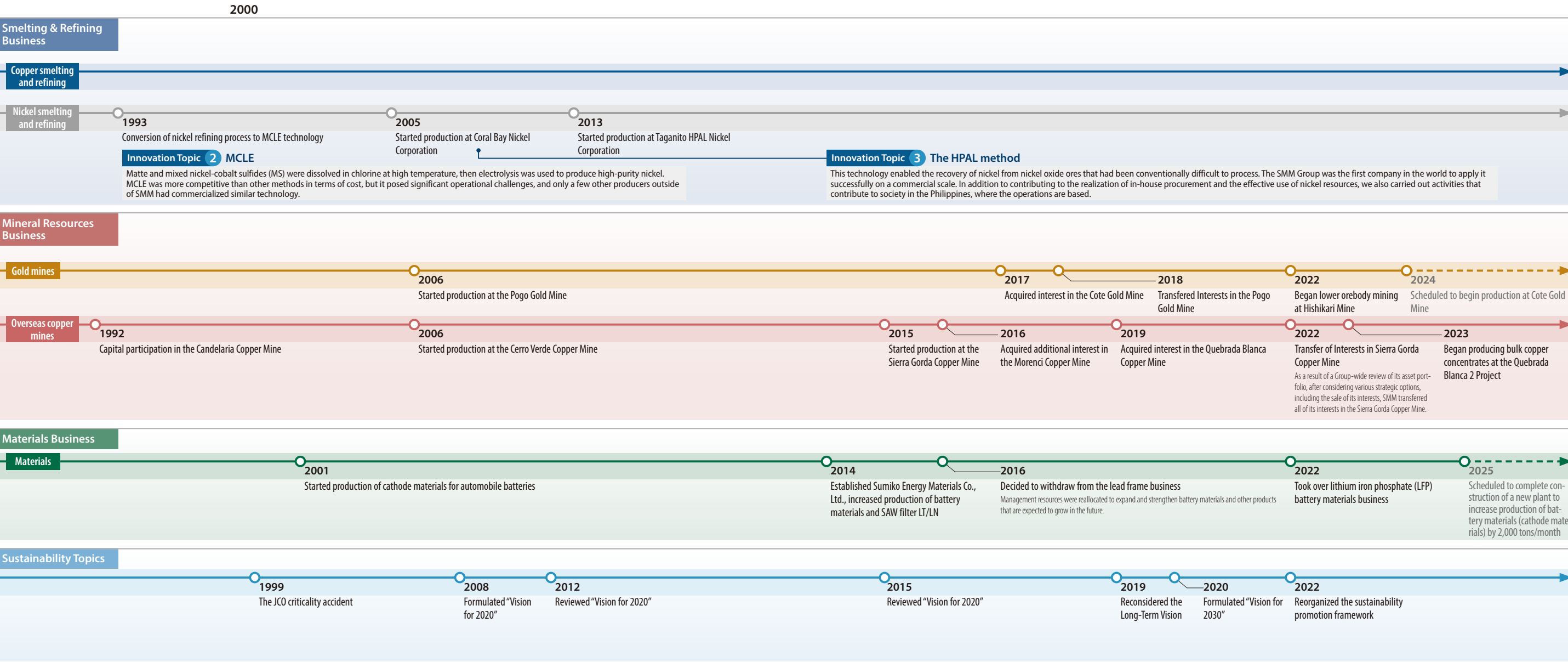
From FY2004 onward, we have steered our course toward the growth strategy by promoting large-scale projects and concentrating management resources in growth areas to expand and strengthen our core businesses. In FY2010, we shifted our business model to three core businesses: Mineral Resources, Smelting & Refining, and Materials. We have continued to implement our growth strategy to enhance our corporate value and competitiveness.

Began to increase the production of battery materials

We have been promoting high-performance materials for automobile batteries (cathode materials), which are expected to grow significantly in the future, and gradually increasing production capacity by leveraging our strength of an integrated process from the procurement of nickel raw material through to processing (3-business collaboration synergy).

Long-term vision to become a world leader in the non-ferrous metals industry

In the 2018 3-Year Business Plan, we set the long-term vision of becoming the world leader in the non-ferrous metals industry and worked to strengthen our growth foundation through the promotion of large-scale projects, reinforced collaboration among our three businesses, and strengthened our corporate functions. In the subsequent 2021 3-Year Business Plan, under the theme of "renewed challenge for change," we will tackle 4 Challenges to realize our long-term vision.




Social Setting

Around 1980

The spread of stainless steel

Nickel, a product of the SMM Group, was used as a raw material in stainless steel and special steels. These materials were used in various areas such as communications, medical, construction materials, and the generation of electricity. Demand for stainless steel picked up after 1987, and Hyuga Smelting Co., Ltd. expanded ferronickel production.



Around 2000

Rapidly rising demand for cathode materials for automobile batteries

Against the background of rising environmental awareness, demand rose rapidly for cathode materials for hybrid and electric vehicle secondary batteries. Through close collaboration with customers, the SMM Group worked to supply high performance, safe battery cathode materials in addition to fulfilling its obligation as a producer of nickel and cobalt, the raw materials of battery cathode materials.

