

SMM IR-Day 2020 | Promoting Growth Strategy To Become The World Non-ferrous Metals Leader, Solving Social Issues Through Business Increasing ESG Demands

This is a transcription of the contents of Sumitomo Metal Mining IR-Day 2020, a business briefing session held on December 21, 2020.

<Speaker>

President & Representative Director, Akira Nozaki

Sumitomo Metal Mining IR-Day 2020

Akira Nozaki: Good afternoon, everyone. Thank you very much for taking time out of your busy schedules to participate in SMM IR-Day 2020 today. I am Nozaki, President of SMM. I would like to take this opportunity to express my sincere gratitude to all of you for your continued understanding and support of our business.

First of all, I would like to express my deepest sympathy to all those who have been affected or are being affected in various ways by the spread of the COVID-19 infection. I would also like to express my heartfelt gratitude to all those who are making efforts to prevent the spread of the COVID-19.

This year, to prevent the spread of the COVID-19 infection, we were not able to hold IR events such as briefings at venues, face-to-face events, and plant tours, as we have done in the past. For this reason, we are taking a different approach from previous years, making use of video streaming and online as much as possible.

Against this backdrop, we are pleased to announce the launch of a new IR event, "Sumitomo Metal Mining IR-Day 2020," online.

This is a business briefing for institutional investors to gain a deeper understanding of SMM's various businesses. This is our first attempt at an IR event with live video streaming.

After the presentation, the general managers of our four business divisions (Mineral Resources, Smelting and Refining, Battery Materials, and Advanced Materials) will explain their respective businesses using presentation materials.

During the question-and-answer session, the general managers of each business unit will directly answer questions from investors, and we hope that you will take this opportunity to ask your questions. The secretariat will explain the details of the Q&A session later.

The general managers of each business division will now talk about their businesses, so before that, I would like to talk about our company's approach to business and how we are thinking about it.

Sumitomo Metal Mining Moving Forward (Business Environment and Sumitomo Metal Mining's Beliefs)^①

Sumitomo Metal Mining Moving Forward (Business Environment and Sumitomo Metal Mining's Beliefs)

■ Increasing social demand towards company's awareness to environment and local communities

- From the example of the Global Industry Standard on Tailings Management (GISTM) through the Global Tailings Review -

The Global Tailing Review, an organization co-organized by ICMM which our company belongs, UNEP, and PRI established the Global Industry Standard on Tailing Management (GISTM), an international standard for the safe management of tailings dams, and it was announced in August of this year.

The ICMM is currently preparing a guide for implementing this standard. Our company, as a member of the ICMM, is working to ensure the safety of tailings dams following ICMM policies.

In Australia, the CEO of a mining company has resigned to take responsibility for destroying Aboriginal heritage.

These examples show that companies such as our company, which is engaged in the development of mines and the smelting of metals, are being questioned more severely than ever about their attitude toward the environment and local communities.

I believe that ESG investment is becoming more important to investors, as you know much better than us, but there is no doubt that ESG is becoming more and more essential for the sustainable development of our business.

Sumitomo Metal Mining Moving Forward (Business Environment and Sumitomo Metal Mining's Beliefs)^②

Sumitomo Metal Mining Moving Forward (Business Environment and Sumitomo Metal Mining's Beliefs)

The embodiment of Sumitomo DNA

- Technological capabilities: Development of innovative *Nanban-buki* technology that separates copper and silver, and release of the technology to the industry
- Co-existence and mutual prosperity with local communities:
 - Contribution to communities and relationships of trust through operation of the Besshi Copper Mine for 283 years
 - Relocation of smelter to an uninhabited island in the Seto Inland Sea to control the spread of smoke pollution from modernization
 - Global leadership in resolution of 47-year-long smoke pollution problem (zero sulfur dioxide gas emissions)



Nanban-buki (Kodo Zuroku)

Photo credit: Sumitomo Historical Archives

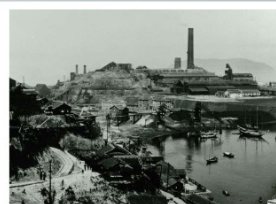


Sumitomo Tonaru Private Elementary School

1967, Besshi Copper Mine, Tonaru District



Sumitomo Besshi Hospital, Tonaru Branch



Shisaka Island Smelter

1920s

Photo credit: Sumitomo Historical Archives

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Over the 430 years since its founding, our company has placed top priority on co-existence with local communities and society.

Companies like our company that develop mines or smelt metals can only do business where they have resources. Also, when we build a large plant like a smelter, the relationship with the land and the area is very important.

It is essential to obtain a Social License to Operate to be recognized for resource development in the region and to continue to operate the plant for a long time. This is a major prerequisite for conducting business.

The various initiatives in the management of the Besshi Copper Mine over the past 283 years, as shown in the slide here, are, so to speak, representative of the cases that have embodied Sumitomo's DNA. The Sumitomo Metal Mining Group, which inherited the copper smelting and refining business that was the source of Sumitomo's business, and which has deeply inherited Sumitomo's DNA, has developed CSR activities that are integrated with its business, aiming to "solve social issues through business" based on Sumitomo's business spirit.

Sumitomo Metal Mining Moving Forward (Business Environment and Sumitomo Metal Mining's Beliefs)^③

Sumitomo Metal Mining Moving Forward (Business Environment and Sumitomo Metal Mining's Beliefs)

The DNA that we carry forward today

- Co-existence and mutual prosperity with local communities
Contribution to local communities through the operation of hospitals and schools, provision of power, water and sewage services, construction of roads, ports and airports, running of malaria and dengue fever prevention projects, etc.
- Operation of a scholarship program since 1987 for middle and high school students in the Morenci school district in America
- We are moving forward with the plan for the Cote Gold Project while building a good relationship with local communities.



Free medical care for local residents (The Philippines)



Students from the Morenci district and people from the SMM Scholarship Fund



Ground-breaking ceremony of Cote Chiefs of First Nation joined

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In this way, Our Group's business philosophy of earnestly confronting local communities has been passed down as the company's DNA to this day. For example, in the case of HPAL operations in the Philippines, this has been used to build relationships of trust with local communities and to rehabilitate the tailing dams.

We are also making steady progress in the Cote Gold Development Project in Canada, which we decided to build this year and have begun full-scale construction work, while giving full consideration to the ecosystem and environment and building very good relations with residents, including indigenous people, and local communities.

As a milestone toward its long-term vision of "world leader in the non-ferrous metals industry" in 2030, our company announced our "vision for 2030" in March of this year, identifying 11 material issues, including "climate change" and "effective use of nonferrous metal resources".

Solving social issues that are important to both society and our company is our company's social mission and responsibility as a manufacturing company and we believe this will lead to the maximization of our corporate value.

This is what underlies our company's various businesses and strategies that I am going to explain today.

As shown in the case study I mentioned at the beginning of this presentation, the demands from

society and investors regarding the role of corporations in the sustainable development of society are becoming more diverse and specific. We recognize that it is an urgent task for us to respond appropriately to these drastically changing trends and currents.

On the other hand, our company's stance of contributing to solving social issues through its business has not changed. However, it may be difficult for you to see that these efforts have become a natural part of business operations.

We will further deepen communication with our stakeholders so that they can understand our group's strategies and measures.

I hope that today's "Sumitomo Metal Mining IR-Day 2020" will provide investors with an opportunity to deepen their understanding of our company's various businesses. Thank you in advance.