



Effective Use of Resources



Environmental Preservation



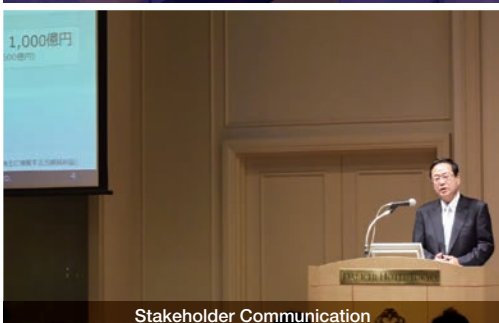
Contribution to Society and Local Communities



Respect for People and Human Rights



Occupational Health and Safety



Stakeholder Communication

# CSR Activity Report

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# CSR Management Framework

## SMM Group's CSR

The circumstances of the society around us and its demands on our Group are constantly changing. In the promotion of CSR activities, appropriately grasping these changes and reflecting them in our objectives are of paramount importance in efforts to continuously increase the Group's corporate value while earning the trust of society. Based on this concept, we released a comprehensively revised version of our Vision for 2020 in FY2015 and also formulated our 2015 3-Year Business Plan. We have established key performance indicators (KPI) to enable a clear understanding of achievement evaluations of the activities performed for meeting the revised goals.

## CSR Promotion Framework

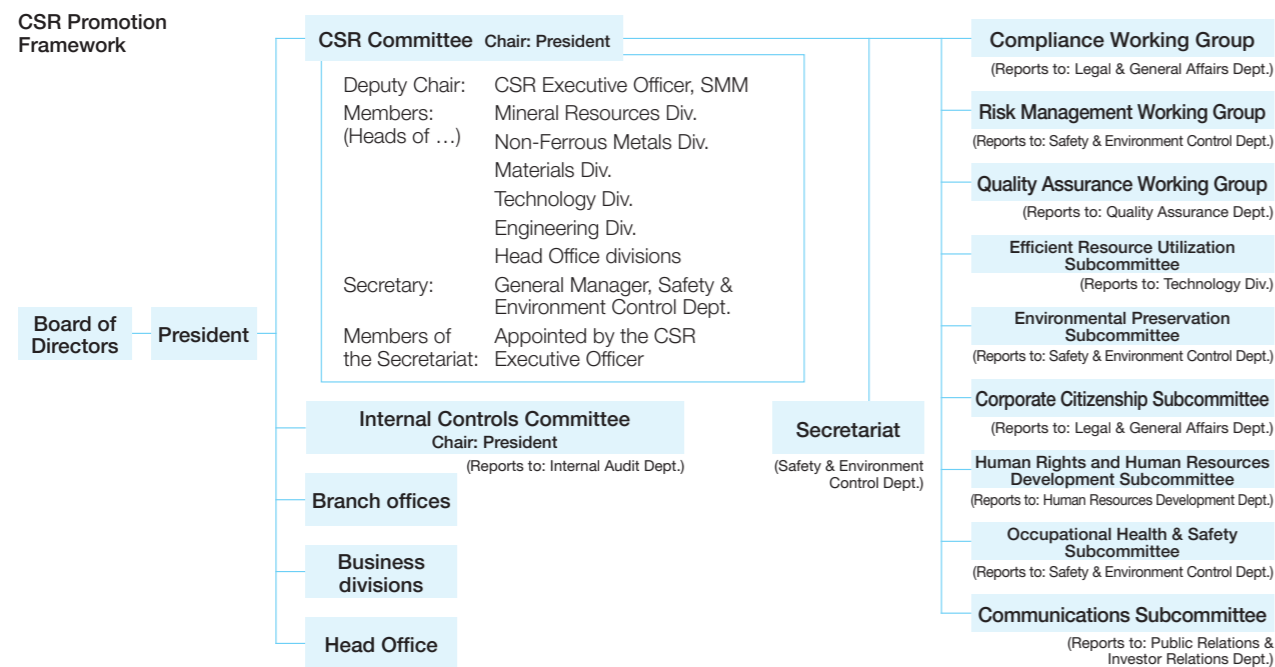
SMM's CSR activities are promoted by the CSR Committee, which convenes at least once a year and comprises the President, as chairman, and the heads of the businesses and Head Office. Attached to the CSR Committee are three working groups—the Compliance, Risk Management, and Quality Assurance Working Groups—and six subcommittees overseeing the following areas: efficient resource utilization, environmental preservation, corporate citizenship, human rights and human resources development, occupational health and safety, and communications.

Each of these six subcommittees, which correspond to the SMM Group's Six CSR Areas of High Priority, works toward annual plans and targets in the quest to realize our Vision for

2020 across the entire Group.

CSR activities consistent with these annual plans and targets are advanced principally through initiatives at business sites and group companies. Actual implementation is carried out by all officers and employees according to their individual roles. The CSR Committee reviews the activities of each area based on reports from working groups and subcommittees.

Reviews include activity progress reports and activity plans for the next fiscal year, evaluations of the company's environmental, social, and economic performance, the execution of corrective measures where necessary, and the implementation of our PDCA (Plan-Do-Check-Act) cycle.



• Directors who are also members of the CSR Committee are the President, the General Manager of the Mineral Resources Division, and the General Manager of the Non-Ferrous Metals Division.

### Our Stakeholders

At the SMM Group, the following entities with an interest in the Group's activities were identified as stakeholders: Customers, Shareholders, Employees, Regional Communities, Creditors, Business Partners,

Citizens Groups, and Government Agencies. The SMM Group aims to maximize its corporate value with a specific target established as the SMM Group's proper objective for each stakeholder.

### The SMM Group's Stakeholders and Proper Objectives for Each Stakeholder

<b>To Customers</b>	Be a company that accurately understands customer needs and has comprehensive competitiveness with an edge over other firms with respect to technology, quality, delivery and costs.
<b>To Shareholders</b>	Be an excellent entity in which to invest: one that pursues maximum corporate value through efficient management and sound governance, disburses dividends matching its business performance, and discloses information as appropriate.
<b>To Employees</b>	Be a company that provides a favorable work environment, clearly defines the roles of all individuals within the organization, and makes employees proud to work for it.
<b>To Regional Communities</b>	Be a company that coexists well with its regional communities and that makes positive contributions to those regions' development.
<b>To Creditors</b>	Be a company that has earning capacity, outstanding financial strength, and trustworthiness.
<b>To Business Partners</b>	Be a company that possesses outstanding technological strength, places importance on integrity and trust, and is capable of co-prosperity.
<b>To Citizens Groups</b>	Be a company that is keenly alert to its social responsibilities and undertakes appropriate communication.
<b>To Government Agencies</b>	Be a company that implements compliance fully and makes positive contributions for the benefit of the countries and regional communities where it is undertaking its projects.

## Identification of Material Issues for the SMM Group

We comprehensively revised our Vision for 2020 in 2015 with regards to the key issues for the SMM Group through the process described below. We were guided by the International

Integrated Reporting Framework (IIRC Guidelines) and GRI Sustainability Reporting Guidelines Version 4 (G4) on the specific procedures for revision.

### Step 1 June 2014

#### Identification of sustainability issues

As sustainability issues, we identified a variety of issues that positively or negatively impact the formation of a sustainable society. In doing so, we focused on the guidelines at right, with the result that we identified 102 issues. We further consolidated the issues according to their shared qualities, in the end identifying 58 sustainability issues.

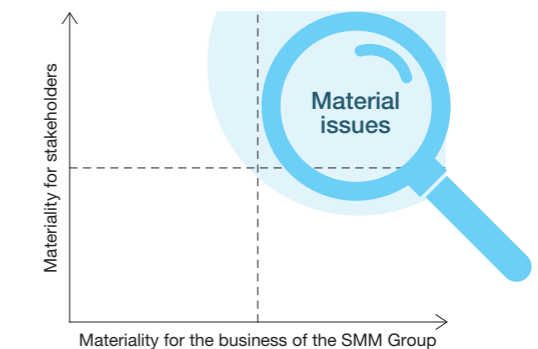
**Guidelines referenced**

- Aspects of the GRI Sustainability Reporting Guidelines Version 4 (G4)
- Issues in ISO 26000
- Principles and position statements of the ICMM
- The Ten Principles of the United Nations Global Compact
- Items noted in the DJSI and other corporate assessments

### Step 2 July 2014–August 2014

#### Assessment of materiality and identification of material issues

We evaluated these issues on the two axes of materiality for stakeholders and materiality for the business of the SMM Group. We identified 26 material issues for which importance is high on both axes and for which our current initiatives should be strengthened.



### Main perspectives in evaluation of materiality

#### Materiality for stakeholders

- Degree of impact on stakeholders' immediate rights
- Opinions of stakeholders
- Requests directed at the SMM Group, organizations to which we belong, and our industry
- Social issues in areas where we operate, and the scale of these social issues
- Scale of the potential negative or positive impacts of our business

#### Materiality for the business of the SMM Group

- Degree of impact on our social license to operate
- Degree of relationship with our business policy and business strategy
- International social norms and industry rules
- Opportunities for income and sources of competitiveness in the future

**Step 3** September 2014–November 2014

**Consideration of draft revisions to the Vision for 2020 and KPIs**

We categorized the identified material issues into our Six CSR Areas of High Priority and formulated draft revisions to the Vision for 2020, in line with our targets and our approaches for addressing the organized material issues as a Group.

We also identified specific targets and KPIs for assessing our degree of achievement toward the Vision for 2020. (Specific targets and KPIs correspond to the targets of the relevant subcommittee. See CSR Achievements and Plans (p. 60–67) for details)



**Step 4** December 2014–March 2015

**Validation**

The Chairman, President, and all 24 executive officers took part in 15 hours of deliberations on the considered material issues, the Vision for 2020, the specific targets, and the KPIs, with a focus on verifying consistency with our business policy and business strategy. Validation of the final draft was carried out through confirmation by the CSR Committee and decision by the Board of Directors.



**Material Issues Identified by the SMM Group**

- Effective Use of Resources**
  - 1 Utilizing unused resources (low-grade/hard-to-process ores)
  - 2 Development of new applications and effective use of by-products
  - 3 Exploration and development of new resources
- Environmental Preservation**
  - 4 Energy conservation at SMM business sites
  - 5 Development of products and technologies that contribute to reducing environmental impact
  - 6 Respect for nature preservation areas
  - 7 Preservation and restoration of ecosystems in areas where we do business
  - 8 Minimizing chemical substance emissions into the air, water, and soil (including in our portfolio companies and supply chain)
  - 9 Reduction of release and transfer volume of chemical substances
  - 10 Waste management
- Contribution to Society and Local Communities**
  - 11 Community investments
  - 12 Local hiring
  - 13 Local procurement
  - 14 Utilization of partnerships
  - 15 Management of closed mines
  - 16 Recovery support for areas affected by devastating disasters

- Respect for People and Human Rights**
  - 17 Human resources development
  - 18 Diversity and equal opportunity
  - 19 Protection of employees' human rights
  - 20 Avoidance of contributing to human rights infringements with our supply chain
  - 21 Respect for the rights of indigenous populations
- Occupational Health and Safety**
  - 22 Ensure safety
  - 23 Secure occupational health
- Stakeholder Communication**
  - 24 Engagement with local communities
  - 25 Engagement with employees
  - 26 Communication with shareholders and investors

**Regarding Boundaries**

In the process to identify material issues, the boundaries were established as follows. Any other boundaries apply to the SMM Group (see p. 1 for the Group's scope).

**SMM Group & Suppliers**

Aspect: (Environmental) Emissions (Material issue 8)  
 Aspect: (Environmental) Effluents and Waste (Material issue 8)

**Suppliers**

Aspect: (Human Rights) Supplier Human Rights Assessment (Material issue 20)

**CSR Achievements and Plans**

**Effective Use of Resources**

Goals and KPIs	FY2015 Achievements	Issues and Targets	FY2016 Plans
1. Develop and implement technologies to efficiently recover resources (low-grade/hard-to-process ores) 1, 3	1) Promote rational use of low-grade nickel ore (make nickel produced from low-grade ores 2/3 of nickel production overall) 2) Achieve profitability in our copper business by developing processing technologies for low-grade/hard-to-process ores 3) Develop efficient gold mining technologies 4) Be active in marine resource development projects (contribute to the development of mining technologies and processing solutions)	● Raised processing rate for large residual volume lateritic ore with high carbon content through operational improvements aiming for a mine life as planned ● Discovered potential for copper/arsenic magnetic separation through pyrometallurgical processing using outside knowledge ● Conducted evaluation of shape and rock mass of undeveloped ore body at Pogo Gold Mine and proceeded with designing efficient mining methods ● Continued to participate in hydrothermal deposit development project and cobalt rich crust development project, and evaluated the promising processes (ore dressing and smelting and refining processes) plans for recovering valuable metals through small-scale basic studies at the cobalt rich crust development project	● Strengthen ore management and establish methods for stable supply of ore ● Pursue potential of magnetic separation using pyrometallurgical processing ● Consider the application of lower cost mining methods than the current method for narrower vein, lower-grade undeveloped ore body ● Study the detailed process performance of promising cobalt rich crust process plans
2. Develop new and effective uses for by-products 2	1) Recover and market scandium from nickel oxide ore 2) Recover raw material for iron and steel manufacturing from nickel oxide ore (commercialize chromite and hematite)	● Satisfied quality ratings of potential customers and decided to commence construction of a commercial plant in 2016 ● Received pass rating for chromite quality from potential customers and started preparation for construction of a commercial plant	● Promote commercial operation in line with plans ● Achieve smooth operation of hematite pilot plant
3. Promote recycling 1	Improve our effective use of recycled resources	● Achieved all-time high recycling of secondary copper materials and established method for secondary battery recycling using existing facilities ● Promoted compliance with new Japan Industrial Standard (JIS) and the guidelines for non-ferrous slag of the Japan Mining Industry Association (JMA) and developed system to promote use of copper slag	● Support recycling that exceeds the secondary battery processing limit of existing facilities ● Promote study on copper scrap and development of new processes for secondary battery recycling with aim of developing new business model

Numbers next to indicate the corresponding Material Issues from p. 61

Environmental Preservation

Goals and KPIs	FY2015 Achievements	Issues and Targets	FY2016 Plans		
1. Advance biodiversity preservation initiatives 4, 5, 6, 7, 8, 9	1) Implement global warming countermeasures (1) Expand materials business for products (creating, storing, and saving energy) with low CO <sub>2</sub> emissions (2) Reduce CO <sub>2</sub> emissions from operations (3) Develop and use renewable energy to contribute to CO <sub>2</sub> emission reductions	Achieve a 5-fold expansion of revenue (measured against FY2011) from materials for products with low CO <sub>2</sub> emissions Increased production at Isoura Plant and established Naraha Plant, Sumiko Energy Materials Co., Ltd. to create framework for production of 1,850 t/month for cathode materials for secondary batteries (lithium nickel oxide) in line with plans Formulated a new internal scheme for promoting effective energy-saving and CO <sub>2</sub> reduction (management of capital expenditure program to reduce CO <sub>2</sub> by 20 kilotons by 2020) Reduced CO <sub>2</sub> by 120 kilotons compared to FY2014 by transitioning Harima Refinery operations (zinc to nickel sulfate) Collected data from basic testing for the HPAL plant construction being considered at Pomalaa, Indonesia Purchased and started using steam from biomass fuel at Sumitomo Metal Mining Siporex Co., Ltd., Tochigi Plant	Achieve full operation of lithium nickel oxide production at both the Isoura and the Sumiko Energy Materials Co., Ltd., Naraha Plants Promote plans Deploy globally Find even more effective measures Confirm potential for commercialization Further expand utilization of renewable energy	Stable operation for lithium nickel oxide production of 1,850 t/month Be sure to implement FY2016 investments in CO <sub>2</sub> reductions Develop CO <sub>2</sub> reduction (energy-saving) programs at overseas business sites Continue survey of information on new energy-saving technologies Implement feasibility study for HPAL plant being considered at Pomalaa Continue examining the introduction of renewable energy in Japan and overseas	
	2) Steadily develop and adopt technologies for reducing environmental impacts (1) Implement a planned approach for minimizing the emission of chemical substances (2) Contribute to environmental preservation through forestation, etc. (3) Verify the environmental impacts of our portfolio companies and supply chain, and implement measures to reduce risks	Formulated plans to reduce emissions of chemical substances (very small amounts of organic matter and heavy metals) into the atmosphere and water and worked to conduct studies and make reductions Established target for reduction of our disposal of industrial waste into landfills by converting operations at Harima Refinery, and will make it an item to maintain going forward Carried out rehabilitation of 11 hectares at CBNC and THPAL combined Continued with composting tests, etc. at Solomon Project with support of Sumitomo Forestry Co., Ltd. Met periodically with mine owners, our suppliers, at CBNC and THPAL to share issues. Performed dredging of Taganito River in dry season	Promote development of proprietary technology for reduction of boron compounds Further expand rehabilitation Consider effective methods for rehabilitation Continue to implement measures to reduce environmental risk	Continue reduction of chemical substance emissions Continue rehabilitation at CBNC and THPAL Implement basal material studies and improvement tests on soil and vegetation at the Solomon Project Periodically meet with mine owners, our suppliers, at CBNC and THPAL to share issues	
	2. Maintain our record of zero significant environmental accidents 8, 10	1) Improve strength against earthquake and severe weather at closed mine sites 2) Prevent significant environmental accidents by strengthening environmental risk management	Completed earthquake strengthening measures for 5 facilities (dams and dumps) of abandoned mines meeting specific conditions planned in 2013 Conducted comprehensive inspection of aging equipment at Hishikari Mine and abandoned mines and planned and budgeted for measures Revised the content and frequency of inspections for aging equipment at Japanese sites in the materials business	Further reduce risk of others Implement plans and continue inspections	Successfully implement measures for another 5 facilities Upgrade equipment and strengthen inspections of aging equipment based on budget for Hishikari Mine and abandoned mines

Contribution to Society and Local Communities

Goals and KPIs	FY2015 Achievements	Issues and Targets	FY2016 Plans
1. Communicate with local communities to recognize social issues in regions where we do business, and implement programs to support solutions to those issues 11, 12, 13, 14, 15	Continued implementing support for infrastructure at CBNC, THPAL and Solomon Islands, which are our main overseas bases Set up Sumiko Energy Materials Co., Ltd., Naraha Plant in Naraha Town, Fukushima Prefecture to play a role in creating employment in the area affected by the Great East Japan Earthquake Continued maintenance of the remains of Sumitomo buildings in the Besshi district Bestowed the President's CSR Award on 2 individuals Held a Philippines-themed CSR Forum (discourse and spot sale of fair trade goods) to promote understanding of the current situation in the Philippines	For infrastructure development at THPAL, create mechanisms to quantitatively ascertain the level of contribution to the community and not only build facilities in local areas but also provide support to operate those facilities There are delays in progress of projects at CBNC. Communicate and coordinate with local government	Continue SDMP (Social Development Management Projects) and contributions to the local community by CBNC and THPAL Work to reduce waste from the market in waste composting in the Solomon Islands Promote relocation of Higurashi Villa* in Besshi district * Higurashi Villa: historical residence built by the 15th head of the Sumitomo family
2. Provide support for the improvement of educational infrastructure and the maintenance and development of academic activities, culture, tradition, and art in countries where we do business 11, 14, 15	Provided scholarships in areas near overseas mine development sites Renewed our agreement to provide support for NPO Kaibigan, which helps the poor to attend school in the Philippines Supported the exhibition The Golden Legend Hosted plant tours for local senior high school students and others in the Niihama district and sent instructors to the Niihama Manufacturing Human Resources Development Association	Consider changing the scholarship program in the Solomon Islands from the traditional method of equal apportionment between tribes to a system based on selection of high-performers	Basically continue support for scholarships and overseas NPOs Continue support for education for the society in Niihama District
3. Provide support for recovery and reconstruction after large-scale disasters 16	1) Provide support taking into consideration the relationship between the affected area and SMM group's business 2) Provide continuous support for the people and areas affected by the Great East Japan Earthquake	There is no mechanism to facilitate the periodic change of the company chairing the Council for Promotion of Measures for Stranded Commuters around Shimbashi Station Cease food aid to victims this year due to decline in demand Ascertain future support needs	Provide appropriate support for major disasters inside and outside Japan based on the level of damage and the relationship with SMM's business operations Continue to provide support to earthquake orphans
4. Allocate financial resources for initiatives 1 to 3 above	Appropriately budget for necessary activities	None	Budget for ongoing projects

Respect for People and Human Rights

Goals and KPIs	FY2015 Achievements		Issues and Targets	FY2016 Plans	
1. A company where employees can take a vibrant and active part 19	1) Work satisfaction	Make continual improvements based on the results of employee satisfaction surveys	● Considered measures to increase employee satisfaction	● Not only the attractiveness of the work itself, but aspects such as support and appreciation from superiors and colleagues	● Prepare an OJT guidebook for superiors, incorporating "Increasing employee satisfaction." Hold a briefing on this within the fiscal year
	2) Mental health	(1) Optimize the work environment through training and the reduction of overly long working hours	● Identified track record and brought up problems at labor-management council	● In addressing long working hours, a fundamental shift in awareness about workstyles is required rather than simply reducing hours	● Implement study and research into working hour systems (workstyles) ● Implement training for management employees on workstyle change
		(2) Reduce mental health afflictions in employees	● Reduction goals could not be set without fully organizing the approach to form the basis such as definition of leave and calculation method for periods of leave	● It is difficult to ascertain whether the reason for use of annual paid leave is due to mental health afflictions	● Promote establishment of targeted response system through development of personalized medical record database
	2. Respect diversity 18	1) Support the active contribution of women at SMM (domestically)	(1) Target number of female managers: 10 or more	● As of April 1, 2015, there are 3 female managers. Conducted training for female employees and their supervisors	● Number of candidates for promotion is still low
(2) Target proportion of female employees in the recruitment of management track employees: 1/3			● Results for new employees in FY2015: 23% ● FY2016: 15%	● The appeal of SMM is not yet sufficiently recognized by female students	● Actively showcase female employees working at SMM to appeal to female students in recruitment publicity activities
2) Promote non-Japanese employees as key personnel			● Held a globalization taskforce at Head Office for discussions	● The needs of mineral resources, non-ferrous metals, materials and corporate departments relating to use of non-Japanese employees do not match	● Hold a Globalization Meeting to proactively discuss the various challenges for globalization
3) Employ people with disabilities		Establish and achieve an internal target for the number of employees with disabilities in the Group domestically	● Achieved above the statutory employment rate on a non-consolidated basis (2.2%)	● Some affiliates (4 companies) have not achieved the employment rate yet	● Appoint a promotion officer for employment of people with disabilities at each site (including Head Office) to promote such employment
3. Develop human resources 17	4) Establish a strategy and supportive framework as a means to facilitate initiatives 1 to 3 above		● Established the Diversity Promotion Section on October 1, 2015		● Complete development of framework to promote diversity at each site and continue to address the challenges in line with plans
	1) Continue the program for select employees after confirming the effectiveness of selective training initiatives		● Conducted a training inventory based on evaluations, etc. to date. Formulated a new program based on reorganization and in-house provision of training	● Fully implement the new program and establish methods for confirming its effectiveness	● Steadily implement the FY2016 program ● Establish methods for confirming its effectiveness
	2) Develop broad-based training to boost the level of our workforce	Provide training opportunities to all employees: 100% participation in training courses	● Began operation of Careership (the new e-learning system) in August 2015	● Enhance educational materials for self-development and specifically promote roll-out to group companies	● Enhance and effectively utilize educational materials for self-development. Roll-out smoothly to group companies
	3) Enhance training for locally hired executive managers overseas		● Once again ensured awareness of ideal SMM. Ten trainees from overseas sites came for overseas executive manager training held in November 2015	● Continue holding training for executive managers of overseas sites	● Secure trainees ● Enhance content
4. Human rights 19, 20, 21	4) Conduct training for further support for the active contribution of female employees		● Held seminars relating to women's career support for female employees and their superiors. Attended by 396 employees	● Scope of training was limited and there is also a need to enhance the environment and culture that surrounds female employees	● Create individualized career development plans for management track employees and normal track employees and continue training in order to foster the culture for their implementation
	Prevent major human rights infringements	(1) Hold regular training on the SMM Group Human Rights Policy: applicable to all workplaces	● Held human rights training at all workplaces in December 2015	● There is a need to consider more effective training content	● Continue training on human rights in conjunction with diversity awareness training
		(2) Establish human rights hotlines (offering multiple means for reporting): applicable to all workplaces	● In November 2015, instructed all workplaces to establish a number of hotlines to handle inquiries from employees	● As hotline training has not been implemented, it is not known whether inquiries can be handled appropriately and there is a need to strengthen the service skills of hotline staff	● Clearly specify staff for promoting human rights, and provide hotline training
		(3) Make employees aware of the SMM direct hotline: applicable to all workplaces	● In November 2015, made employees at all workplaces aware of the group hotline at SMM Head Office, separate from their own company's (department's) hotline	● There is a need to confirm whether the SMM direct hotline functions appropriately overseas	● Consult with the people concerned to determine methods of responding to non-Japanese inquiries on the SMM direct hotline
	(4) Implement regular human rights due diligence (in three categories): once every 3 years	● <b>Employees</b> Checked questionnaire results and revised content, but were not able to conduct onsite studies ● <b>Supply chain</b> Conducted questionnaire and onsite studies ● <b>Regional inhabitants</b> Collaborated with other subcommittees to consider implementation	● <b>Employees</b> No issues serious enough to necessitate onsite studies were found in the content of the basic questionnaire, but there is a need to continue to review whether the content of the questionnaire itself is appropriate or not ● <b>Regional inhabitants</b> There is a need for a comprehensive review taking in not only the Human Rights and Human Resources Development Subcommittee but other subcommittees as well	● <b>Employees</b> Revise questionnaire items and repeat from basic human rights questionnaire. Determine necessity for onsite studies based on results ● <b>Supply chain</b> Continue to implement onsite studies based on questionnaire results	

Occupational Health and Safety

Goals and KPIs	CY2015 Achievements	Issues and Targets	CY2016 Plans	
<p>1. Ensure safety Q 22</p>	<p>1) Make our final target zero occupational accidents overall</p> <p>2) Reduce occupational accidents to three or fewer per year by 2020 and establish frameworks for achieving this target (Applicable to all domestic Group employees)</p> <p>3) Halve the frequency rate of occupational accidents by 2020 (Applicable to all domestic and overseas Group employees) Reduce the frequency rate from 1.28 (CY2011) to 0.60 (CY2020)</p>	<p>Number of injury accidents in CY2015</p> <p><b>Japan</b> Employees: 2 lost time; 8 in total Contractors: 2 lost time; 7 in total</p> <p>● Accidents concentrated in Besshi district (employees: 6, contractors: 5) (1) Accidents occurred frequently in on-site service operations (2) Similar accidents occurred frequently due to the same unsafe act and causal objects</p> <p><b>Overseas</b> Employees: 7 in total</p> <p>Frequency rate for occupational accidents in 2015 in Japan and overseas: 0.74 (Japan: 0.62, overseas: 0.96)</p>	<p>● Increase awareness of safety first by both the management at the client and at the contractor</p> <p>● Sustain and improve risk sensitivity (1) Improve risk prediction skills (2) Sustain and improve the effect of learning from hazard simulation</p> <p>● Establish best management framework for overseas sites</p>	<p>In addition to conventional measures, implement the following:</p> <ul style="list-style-type: none"> <li>● Deploy risk management in each grade based on leadership by workplace management</li> <li>● Systematize hazard simulation to increase and maintain effect</li> <li>● Systematize safety management at overseas sites</li> </ul>
<p>2. Provide comfortable working environments Q 23</p>	<p>1) Provide healthy working environments</p> <p>(1) Achieve zero new cases of occupational disease (requiring treatment) (Applicable to all domestic and overseas Group employees)</p> <p>(2) Achieve zero Control Class 3 workplaces (excluding locations stipulated in guidelines, etc.) and reduce Control Class 2 workplaces* (Applicable to all domestic business sites)</p> <p>2) Implement other working environment improvements</p>	<p>● No new cases of occupational disease</p> <p>● Number of Control Class 3 workplaces in 2015 (figures in parentheses are 2014 results) Dust 2 (2), lead 0 (0), nickel compound 0 (1), arsenic, etc. 1 (1), cobalt, etc. 2 (7), chlorine 3 (5), manganese 0 (1), IPA 0 (1), noise 1 (8)</p> <p>● Continued meetings with industrial physicians for employees who worked long hours</p> <p>● Periodic mental health checks were implemented through employee assistance programs (EAP) (2,934 employees)</p> <p>● Mental health care training was implemented (7 times)</p> <p>● Industrial counselor training (4 counselors)</p>	<p>● Do not worsen work environment when raising capacity utilization</p> <p>● Upgrade technical capabilities for improvements</p> <p>● Speed up creation of concrete program</p> <p>● Conduct adequate technical review of improvement measures</p> <p>● Stimulate communication to create a comfortable work environment</p>	<p>In addition to conventional measures, implement the following:</p> <ul style="list-style-type: none"> <li>● Create rules for verification of plant capacity when changing operating conditions</li> <li>● Utilize in-house and external experts</li> </ul> <p>● Create framework for mental health checks</p>

\* Changed from "Achieve zero Control Class 3 workplaces (excluding locations stipulated in guidelines, etc.) (Applicable to all domestic business sites)" in 2016

Stakeholder Communication

Goals and KPIs	FY2015 Achievements	Issues and Targets	FY2016 Plans	
<p>1. Encourage deeper mutual understanding with employees Q 25</p>	<p>1) Continue conducting employee awareness surveys</p> <p>2) Hold regular dialogues with workers' unions or representatives from employees</p>	<p>● Examined implementation methods for surveys</p> <p>● Conducted a survey on implementation status of communication with employees at directly controlled workplaces/group companies</p>	<p>● Examine scope and feedback methods, etc.</p> <p>● Continue dialogue with employees at each workplace</p>	<p>● Conduct the 3rd employee awareness survey and provide feedback based on the results</p> <p>● Take measures for workplaces where regular dialogue is not conducted while consulting with relevant departments</p>
<p>2. Encourage mutual understanding with local communities and citizen groups Q 24</p>	<p>1) Continue regular meetings with local communities and participate in community activities</p> <p>2) Carry out cooperative activities with NGOs/NPOs</p>	<p>● Conducted a survey on cases of each facilities' community activities and shared details throughout SMM</p> <p>● Held regular meetings with related NGOs to exchange opinions and information</p>	<p>● Consider the necessity for guidelines on the ideal for communication with the community</p> <p>● Consider methods for information exchange between related in-house departments</p>	<p>● Conduct studies into whether a speedy response to materialization of risk events, such as an environmental accident, is possible and whether initiatives have been established that can adequately ascertain the demands and complaints of the community and nearby residents, etc.</p> <p>● Continue holding regular meetings with relevant NGOs</p> <p>● Study best practices at other companies for collaboration with NGOs/NPOs</p>
<p>3. Encourage mutual understanding with shareholders and investors Q 26</p>	<p>1) Publish integrated reports and improve their content</p> <p>2) Promote dialogue with investors</p>	<p>● Published content that incorporated some aspects of an integrated report in the FY2015 CSR Report</p> <p>● Held meetings with investors systematically and continuously</p> <p>● Participated in an explanatory meeting for individual investors held by the Niihama Chamber of Commerce and Industry</p>	<p>● Deploy results of review by in-house working group appropriately to an Integrated Report</p> <p>● Conduct dialogue systematically and continuously</p>	<p>● Publish an Integrated Report</p> <p>● Review and improve methods of dialogue in line with changes in manner of dialogue with investors</p>
<p>4. Encourage mutual understanding with other stakeholders</p>	<p>● Conducted a review of website content</p>	<p>● Optimize website design compatible with smartphones</p>	<p>● Thoroughly update, including enhancement of website content, design changes, and optimization of website design for smartphones</p>	