

SDGs and SMM's CSR

Working toward a sustainable society

SMM has started considerations as to how companies should work toward achieving the 17 UN Sustainable Development Goals (SDGs) and the 169 individual targets within these.

Start of discussions and consideration within the company as to how to tackle SDGs

The SDGs adopted by the UN in 2015 aim to realize societies that "leave no one behind" by the target year of 2030. The SDGs cover a broad range of issues, including the economy, society, and the environment, so in Japan, SDGs Implementation Guiding Principles were established through discussions at an SDGs Promotion Round Table Meeting held in December 2016, and efforts based on these have started across all levels of Japanese society.

In 2008, SMM identified material issues for both our stakeholders and SMM Group businesses in which we needed to strengthen our engagement.



Holding a lecture to deepen understanding of SDGs within the company and incorporating SDGs into the next company vision

On May 10, 2017, we held an internal lecture entitled "SDGs and Sumitomo Metal Mining Co., Ltd.," given by CSO Network Japan's Executive Director Kaori Kuroda. She contributed to the creation of Japan's SDGs Implementation Guiding Principles as a participant in the SDGs Promotion Round Table Meeting, and also has an expert understanding of SMM's business and CSR engagement, having contributed her opinion to our 2012 and 2014 CSR Reports.

The lecture was attended by the leaders and members of the subcommittees for each of our Six CSR Areas of High Priority, and they were able to deepen their understanding of the essence and aims of the SDGs. They were also able to gain a new awareness of SDGs, such as the favorable reception of the strong progress being made by the mining and metal sector through aligning the 17 SDGs with the

These were organized into Six CSR Areas of High Priority (effective use of resources, environmental preservation, contribution to society and local communities, respect for people and human rights, occupational health and safety, and stakeholder communication) and set out in our Vision for 2020. Since then we have continued to review these efforts by establishing KPIs and the like, and CSR activities are being implemented in business and corporate divisions, primarily through subcommittees focused on each of the six areas, as part of an implementation structure led by the CSR Committee, which is chaired by the president himself.

SMM is already actively implementing measures that tackle some SDGs. For example, SDG 13 (climate action) is covered by global warming countermeasures being implemented primarily by the Environmental Preservation Subcommittee, such as increasing production of products (battery materials) with low CO₂ emissions and reducing CO₂ emissions from operations. However, we still need to fully discuss and consider how to achieve goals for a broad range of issues targeted by the SDGs.

10 Principles (refer to diagram on the right) of the International Council on Mining and Metals (ICMM), of which SMM is a member.

SMM is now approaching the period in which we will formulate a new company vision to follow our Vision for 2020. Following the advice of Executive Director Kuroda, the CSR Committee and the subcommittees for each of the Six CSR Areas of High Priority will carry out deliberations on how SMM, a company for which CSR is management itself and that promotes CSR through its business, should approach SDGs, and proceed with activities.

While formulating our next vision, we will also evaluate factors such as the degree of influence SMM can exert toward achieving each SDG, and establish priority issues accordingly.



The connections between the ICMM 10 Principles and SDGs

The ICMM* works to showcase the contributions to society made by the mining and metals industry and clarify the role and responsibilities of companies within society, and has created 10 Principles that address important issues for sustainable development. All ICMM members are required to commit to these 10 Principles.

Furthermore, the ICMM strongly supports the SDGs and has analyzed the alignment of the 10 Principles and SDGs to encourage active contributions by the mining and metals industry. The results of this analysis are shown in the diagram to the left.

The diagram shows how each principle and SDG aligns, for example Principle 1 (ethical business & sound governance) aligns with SDGs 1 (no poverty), 5 (gender equality), 10 (reduced inequalities), 16 (peace, justice, and strong institutions), and 17 (partnership for the goals).

* International Council on Mining and Metals (ICMM): Established in 2001. Centered around major global resources companies, it carries out activities and works with NGOs, international organizations such as the UN, and others to achieve the sustainable development of the mining and metals industry. Japan has three members, including SMM.

The 10 Principles of the ICMM

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| ① Ethical business & sound governance | ⑥ Environmental performance |
| ② Sustainable development in decision-making | ⑦ Conservation of biodiversity & land-use planning |
| ③ Respect for human rights | ⑧ Responsible use & supply of materials |
| ④ Effective risk management | ⑨ Social contribution |
| ⑤ Health & safety performance | ⑩ Engagement & transparent reporting |

The Sustainable Development Goals

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|---|---|
| 1 No poverty | 10 Reduced inequalities |
| 2 Zero hunger | 11 Sustainable cities and communities |
| 3 Good health and well-being | 12 Responsible consumption and production |
| 4 Quality education | 13 Climate action |
| 5 Gender equality | 14 Life below water |
| 6 Clean water and sanitation | 15 Life on land |
| 7 Affordable and clean energy | 16 Peace, justice and strong institutions |
| 8 Decent work and economic growth | 17 Partnerships for the goals |
| 9 Industry, innovation and infrastructure | |

I hope to see SDGs recognized in the formulation of the next company vision

Kaori Kuroda

Executive Director, CSO Network Japan



Interest in the SDGs is growing in Japan, as demonstrated by the Japan Business Federation's (Keidanren's) plan to review its Charter of Corporate Behavior in light of the goals. However, it is crucial that each company promotes activities that work toward achieving SDGs while also continuing their existing CSR initiatives.

Regarding SDG initiatives that can be advanced by the SMM Group, I think the following points need special consideration:

- Mapping SDGs into the value chain
- An outside-in approach that deepens awareness of global and societal needs
- Focus on the connections between issues
- Awareness of cross-sectoral issues (human rights, empowerment of women, gender issues, etc.)
- Further strengthening of dialogue and cooperation with stakeholders

The activities within the Six CSR Areas of High Priority aimed at achieving the Vision for 2020 have already put the SMM Group on the right track, and I want these measures to continue to develop steadily. I would also like to see the next company vision recognize SDGs and work toward a sustainable society.