

# Independent Assurance Report (First half)



## Independent Assurance Report

To the President & Representative Director of Sumitomo Metal Mining Co., Ltd.

We were engaged by Sumitomo Metal Mining Co., Ltd. (the "Company") to undertake a limited assurance engagement of the environmental, social and economic performance indicators listed in the table below (the "Indicators") for the period from April 1, 2016 to March 31, 2017 included in its Integrated Report 2017 (the "Report") for the fiscal year ended March 31, 2017; the Company's self-declaration that the Report is prepared in accordance with the Global Reporting Initiative's G4 Sustainability Reporting Guidelines (the "G4 Guidelines") at a core level; the alignment of the Company's policies to the International Council on Mining and Metals ("ICMM")'s 10 Sustainable Development ("SD") Principles and the applicable mandatory requirements set out in ICMM position statements; the Company's identification and prioritization of material issues; and the Company's approach and management of its material issues.

Items	Pages	Indicators assured
Financial and Non-Financial Summary	8~9	Distribution of Economic Value to Stakeholders, Number of Employees & Officers by Region (Consolidated), Number of Employees & Officers Worldwide (Consolidated) and CO <sub>2</sub> Emissions
Using Resources Effectively through Recycling	78	Percentage of Recycled Input Materials Used
Prevention of Global Warming	83	Unit Energy and CO <sub>2</sub> Emissions Index and CO <sub>2</sub> Emissions
Reduction of Environmental Impact	84~87	Volume of SO <sub>x</sub> Emissions, Volume of NO <sub>x</sub> Emissions, Volume of Soot and Dust Emissions, Release and Transfer Volume of PRTR Substances, Breakdown of Releases, COD and BOD Pollutant Loads, Water Usage (Freshwater and Seawater), Final Disposal Volumes of Industrial and Mining Waste in Japan and Volume of Waste (Hazardous/Non-hazardous)
Impact on Local Economies	88	Proportion and amount of payments made to local suppliers and Number of Locally-Hired Senior Managers (General Managers and Above) at Overseas Affiliates
Establishment of Workplace Environments Favorable to Diverse Human Resources	91	Disabled Employee Ratio (SMM non-consolidated)
Respect for the Human Rights of Indigenous People and Local Citizens	93	Number of investment projects which fell under the scope of human rights issues
Assuring Health and Safety	95	Data on Occupational Accidents in Japan
Establishment of a Workplace Environment to Enable Working Dynamically	96	Number of companies with workers' unions and Percentages of employees belonging to workers' unions
Compliance	101	Participants of Compliance Education
CSR Data (Environmental Preservation)	106~107	INPUTS (Resources & Energy) and OUTPUTS (Products & Emissions), Size of production site in areas of high biodiversity value and Amount of Land Developed or Rehabilitated
CSR Data (Respect for People and Human Rights)	108~109	Number of Employees & Officers Worldwide (Consolidated), Number of Employees & Officers by Region (Consolidated), Consolidated Employee Breakdown, Total Annual Hours of Education and Employee Turnover Number and Rate
CSR Data (Other)	112	Distribution of Economic Value to Stakeholders, Financial Assistance from the Government and the portion of the projected benefit obligation to be funded by pension assets and pension assets available for allocation to that portion

### The Company's Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the "Company's reporting criteria"), as described in the Report, which are derived, among others, from the G4 Guidelines and Environmental Reporting Guidelines of Japan's Ministry of the Environment; self-declaring that the Report is prepared in accordance with the criteria stipulated in the G4 Guidelines; reporting on the alignment of the Company's policies to the ICMM's 10 SD Principles and the applicable mandatory requirements set out in ICMM position statements; reporting on the Company's identification and prioritization of material issues; and reporting on the Company's approach and management of its material issues.

# Independent Assurance Report (Second half)



## Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information', 'ISAE 3410, Assurance Engagements on Greenhouse Gas Statements', issued by the International Auditing and Assurance Standards Board, and the 'Practical Guidelines for the Assurance of Sustainability Information' of J-SUS. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing with the Company's responsible personnel to obtain an understanding of its policy for the preparation of the Report and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical reviews of the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and also recalculating the Indicators.
- Visiting to Ohkuchi Electronics Co., Ltd. selected on the basis of a risk analysis.
- Evaluating the overall statement in which the Indicators are expressed.
- Evaluating the Company's self-declaration that the Report is prepared in accordance with the G4 Guidelines at a core level against the criteria stipulated in the G4 Guidelines.
- Assessing the alignment of the Company's policies to the ICMM's 10 SD Principles and the applicable mandatory requirements set out in ICMM position statements through documentation reviews and interviews.
- Interviewing with the Company's responsible personnel and reviewing documents with respect to the Company's process of identifying and prioritizing its material issues and its approach to and management of its material issues.

## Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that:

- the Indicators in the Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Report;
- the Company's self-declaration that the Report is prepared in accordance with the G4 Guidelines at a core level does not conform to the criteria stipulated in the G4 Guidelines;
- the Company's policies are not aligned to the ICMM's 10 SD Principles and the applicable mandatory requirements set out in ICMM position statements as described on pages 99 and 110;
- the Company has not identified and prioritized its material issues as described on pages 63 to 65; and
- the Company has not approached and managed its material issues as described on pages 64 to 71.

## Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

*KPMG AZSA Sustainability Co., Ltd.*

KPMG AZSA Sustainability Co., Ltd.  
Tokyo, Japan  
October 18, 2017