

ESG Data Book 2022

 **SUMITOMO METAL MINING**



MINING THE FUTURE

Contents

- 1 Effective Use of Non-Ferrous Metal Resources
- 2 Climate Change
- 5 Significant Environmental Accidents / Biodiversity
- 12 Employees' Occupational Health and Safety
- 16 Diverse Human Resources / Development and Participation of Human Resources
- 22 Engagement with Stakeholders
- 25 Co-Existence and Mutual Prosperity with Local Communities
- 27 Other

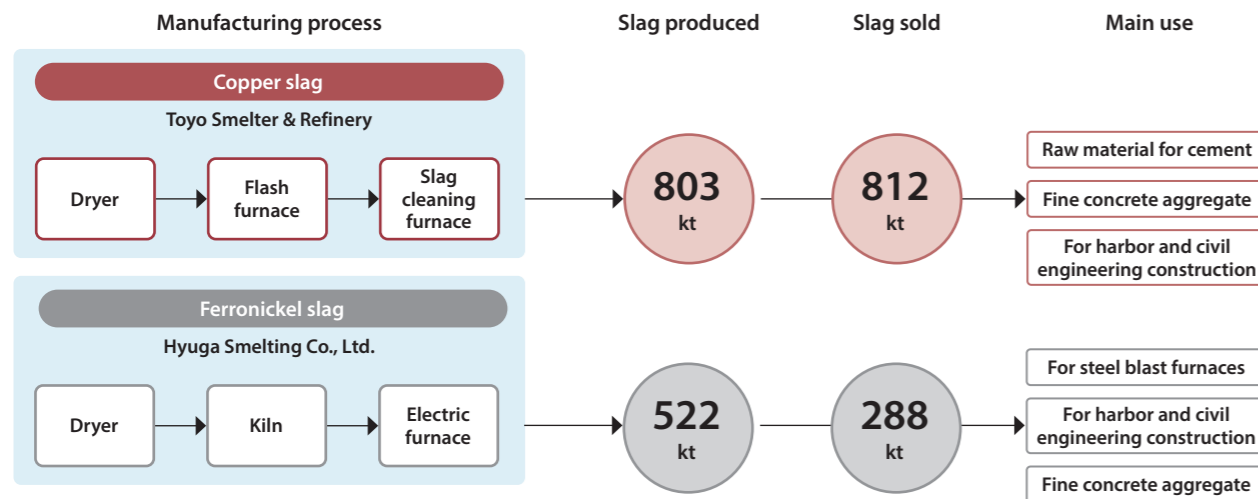
Effective Use of Non-Ferrous Metal Resources

Percentage of Recycled Input Raw Materials Used

FY	2019	2020	2021
Total raw materials used (kt)	10,873	10,753	10,047
Recycled raw materials (kt)	227	229	239
Percentage of recycled input raw materials used (%)	2.08	2.13	2.38

The SMM Group procures copper and precious metal scrap from the market and recovers valuable and precious metals from electric arc furnace dust and used printed circuit boards, among other sources. Production of electrolytic copper from recycled raw materials was approximately 97 kilotons, accounting for 23.1% (23.3% in FY2020) of production, a slight drop from the previous fiscal year.

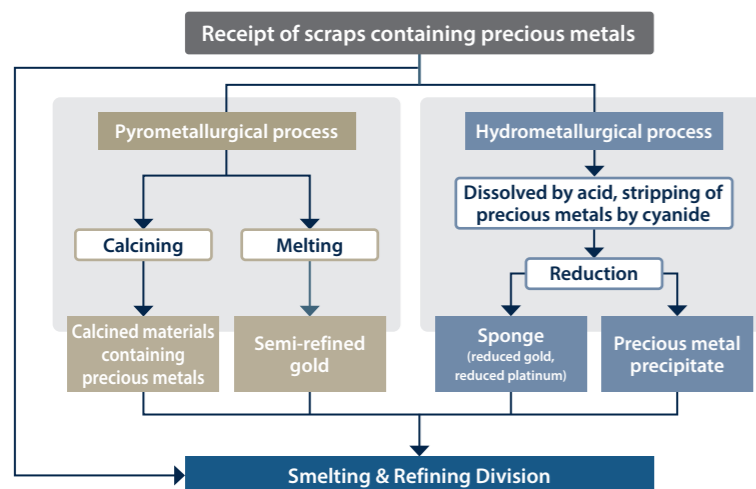
Slag as a Recycled Material



Copper slag is a by-product produced during smelting at the Toyo Smelter & Refinery, which manufactures electrolytic copper. The main use for copper slag (70% of the total volume) is cement production for Japan and overseas. With an iron content of about 40%, copper slag is widely used as a source of iron for cement.

The ferronickel slag at Hyuga Smelting Co., Ltd., which manufactures ferronickel used as a raw material for stainless steel, is mainly used at steel blast furnaces. With a magnesia content of about 30%, ferronickel slag is used as a source of magnesia for blast furnace flux.

Precious Metal Recovery: Flow Diagram



Collecting the likes of discarded household appliances and discarded electronic parts, as well as scrap created in the manufacturing process of those articles, from across Japan, SMM uses them as raw materials to recover and recycle precious metals (gold, silver, platinum, etc.).

After sorting the collected raw materials into parts that contain precious metals and those that do not, SMM uses the pyrometallurgical or hydrometallurgical process, depending on the composition and other aspects of the parts, to condense them, and then transports them to the Toyo Smelter & Refinery.

The Toyo Smelter & Refinery smelts and refines those condensed raw materials along with other copper and precious metal raw materials, and then recycles them into highgrade precious metals.

Climate Change

TCFD Content Index

Governance

Recommended disclosures: Disclose the organization's governance around climate-related risks and opportunities.

	Recommended disclosures	Integrated Report 2022	Pages
a)	Describe the board's oversight of climate-related risks and opportunities.	Vision for 2030-Formulation Approach Sustainability at the SMM Group Management Approach	P.10 P.72-73
b)	Describe management's role in assessing and managing climate-related risks and opportunities.	Vision for 2030-Formulation Approach Sustainability at the SMM Group Management Approach	P.10 P.72-73

Strategy

Recommended disclosures: Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.

	Recommended disclosures	Integrated Report 2022	Pages
a)	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Vision for 2030 Risks and Opportunities Overview of the 2021 3-Year Business Plan Adapting to changes in the social environment (Carbon neutrality) Climate Change Scenario Analysis	P.8-9 P.32-33 P.45 P.92-93
b)	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Risks and Opportunities Overview of the 2021 3-Year Business Plan Adapting to changes in the social environment (Carbon neutrality) Vision for 2030, Material Issues, KPIs (Indicators and Goals) Vision for 2030: (Results and Achievement Criteria and Action Plan up to FY2030) (Climate Change) Climate Change Approach and Policy Climate Change Scenario Analysis	P.32-33 P.45 P.74-75 P.79 P.91 P.92-93
c)	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Vision for 2030 Risks and Opportunities Vision for 2030, Material Issues, KPIs (Indicators and Goals) Vision for 2030: (Results and Achievement Criteria and Action Plan up to FY2030) (Climate Change) Climate Change Approach and Policy Climate Change Scenario Analysis	P.8-9 P.32-33 P.74-75 P.79 P.91 P.92-93

Risk Management

Recommended disclosures: Disclose how the organization identifies, assesses, and manages climate-related risks.

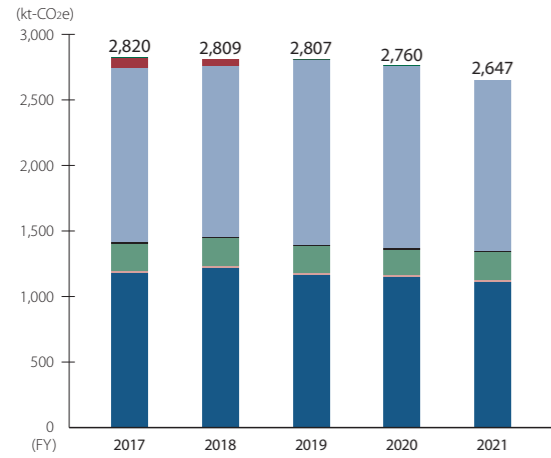
	Recommended disclosures	Integrated Report 2022	Pages
a)	Describe the organization's processes for identifying and assessing climate-related risks.	Vision for 2030 Vision for 2030-Formulation Approach Sustainability at the SMM Group Management Approach Vision for 2030, Material Issues, KPIs (Indicators and Goals) Vision for 2030: (Results and Achievement Criteria and Action Plan up to FY2030) (Climate Change) Climate Change Approach and Policy Climate Change Scenario Analysis	P.8-9 P.10 P.72-73 P.74-75 P.79 P.91 P.92-93
b)	Describe the organization's processes for managing climate-related risks.	Vision for 2030 Vision for 2030-Formulation Approach Sustainability at the SMM Group Management Approach Vision for 2030, Material Issues, KPIs (Indicators and Goals) Vision for 2030: (Results and Achievement Criteria and Action Plan up to FY2030) (Climate Change) Climate Change Approach and Policy Climate Change Scenario Analysis	P.8-9 P.10 P.72-73 P.74-75 P.79 P.91 P.92-93
c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Vision for 2030 Vision for 2030-Formulation Approach Sustainability at the SMM Group Management Approach Climate Change Scenario Analysis	P.8-9 P.10 P.72-73 P.92-93

Metrics and Targets

Recommended disclosures: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

	Recommended disclosures	Integrated Report 2022	Pages
a)	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Vision for 2030, Material Issues, KPIs (Indicators and Goals)	P.74-75
b)	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	GHG Emissions (Scope 1 + 2) GHG Emissions (Scope 3) Material Flows within Business Activity (Scope 1, Scope 2)	P.94 P.95 P.101
c)	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Vision for 2030, Material Issues, KPIs (Indicators and Goals) Vision for 2030: (Results and Achievement Criteria and Action Plan up to FY2030) (Climate Change) Climate Change Approach and Policy Material Flows within Business Activity (Scope 1, Scope 2)	P.74-75 P.79 P.91 P.101

GHG Emissions (Scope 1 + 2)



■ Smelting & Refining Business in Japan
 ■ Mineral Resources Business in Japan
 ■ Battery Materials Business and Advanced Materials Business
 ■ Other Businesses in Japan
 ■ Smelting & Refining Business overseas
 ■ Mineral Resources Business overseas
 ■ Materials Business overseas

Direct emissions for both Japan and overseas are calculated using emission factors conforming to the Japanese law "Act on Promotion of Global Warming Countermeasures." This includes non-energy-originated GHG emissions (349 kt-CO₂e) that are outside the scope of the law. The amount of GHG emissions from electric power purchased in Japan is calculated according to the market-based method using the emission factors of electric suppliers. For overseas emission factors, we used the latest emission factors for each country as published by the IEA.

In FY2021, the SMM Group's GHG emissions (Scope 1+2) were 2,647 kt-CO₂e, reduced through energy conservation activities and other efforts. In addition, GHG emissions related to transportation in Japan, which are indirect emissions, were 26 kt-CO₂e.

The SMM Group will continue to promote GHG emission reduction efforts in FY2022, and anticipates reductions of 12 kt-CO₂e for the year. GHG emissions reduction due to solar power generated at the solar power plant operated by SMM in Kashima, Ibaraki Prefecture came to approximately 1.6 kt-CO₂e in FY2021.

Breakdown of GHG Emissions (FY2021) (kt-CO₂e)

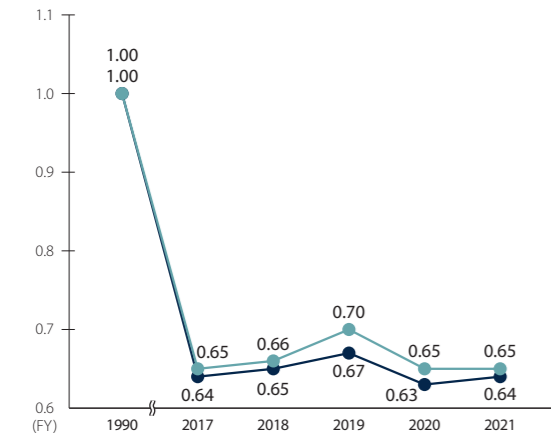
	Group companies in Japan	Group companies overseas	Total
Scope 1	488	1,298	1,786
Scope 2	859	2	861
Total	1,347	1,300	2,647

Scope 3: See p. 4

GHG Emissions (Scope 3) FY2021

Category	kt-CO ₂ e	Calculation method and aggregation boundary
1. Purchased goods and services <input checked="" type="checkbox"/>	3,668.7	Σ (weight of key raw materials x emission factors) Emission factors are from the LCI Database IDEA v2.3 Boundary: SMM Group, including overseas
2. Capital goods <input checked="" type="checkbox"/>	225.9	Σ (amount of capital expenditures x emission factors) Emission factors are from the Database for Calculating GHG Emissions of the Supply Chain, Ver. 3.2, prepared by the Ministry of Environment and the Ministry of Economy, Trade and Industry in Japan. Boundary: SMM Group, including overseas Note: Capital expenditures include construction in progress, used equipment, and intragroup transactions
3. Fuel- and energy-related activities not included in Scope 1 or Scope 2 <input checked="" type="checkbox"/>	239.8	Σ (electricity and fuel consumptions x emission factors) Emission factors (electricity) are from the Database for Calculating GHG Emissions of the Supply Chain, Ver. 3.2, prepared by the Ministry of Environment and the Ministry of Economy, Trade and Industry in Japan. Emission factors (fuel) are from the LCI Database IDEA v2.3 Boundary: SMM Group, including overseas
4. Upstream transportation and distribution <input checked="" type="checkbox"/>	25.7	Emissions from domestic transportation are calculated based on the Japanese law "the Act on Rationalizing Energy Use" and "the Act on Promotion of Global Warming Countermeasures".
5. Waste generated in operations	7.2	Σ (amount of waste by type (major sites in Japan) x emission factors by waste type) Emission factors are from the Database for Calculating GHG Emissions of the Supply Chain, Ver. 3.2, prepared by the Ministry of Environment and the Ministry of Economy, Trade and Industry in Japan. Boundary: SMM Group in Japan
6. Business travel	0.8	Σ (number of employees (major sites in Japan) x emission factors) Emission factors are from the Database for Calculating GHG Emissions of the Supply Chain, Ver. 3.2, prepared by the Ministry of Environment and the Ministry of Economy, Trade and Industry in Japan. Boundary: SMM Group in Japan
7. Employee commuting	2.7	(By work type and place) Σ (number of employees (major sites in Japan) x number of business days x emission factors) Emission factors are from the Database for Calculating GHG Emissions of the Supply Chain, Ver. 3.2, prepared by the Ministry of Environment and the Ministry of Economy, Trade and Industry in Japan. Boundary: SMM Group in Japan
8. Upstream leased assets	Not applicable	Calculated in Scope 1 and Scope 2 so this is not applicable.
9. Downstream transportation and distribution	Not applicable	This category is not applicable because it is difficult to calculate emissions since the products are mainly non-ferrous metals and highly advanced materials, which have diverse applications after sales destinations, and each application has different GHG emission characteristics.
10. Processing of sold products	Not applicable	This category is not applicable because it is difficult to calculate emissions since the products are mainly non-ferrous metals and highly advanced materials, which have diverse applications after sales destinations, and each application has different GHG emission characteristics.
11. Use of sold products	Not applicable	This category is not applicable because it is difficult to calculate emissions since the products are mainly non-ferrous metals and highly advanced materials, which have diverse applications after sales destinations, and each application has different GHG emission characteristics.
12. End-of-life treatment of sold products	Not applicable	This category is not applicable because it is difficult to calculate emissions since the products are mainly non-ferrous metals and highly advanced materials, which have diverse applications after sales destinations, and each application has different GHG emission characteristics.
13. Downstream leased assets	0.2	Σ (electricity and gas consumption by tenants of the Head Office building x emission factors) Emission factors are from the list of emission factors of the Ministry of the Environment's Greenhouse Gas Emissions Calculations Reporting and Publication System.
14. Franchises	Not applicable	SMM group does not have franchises so this is not applicable.
15. Investments	Not applicable	SMM group does not make financial investments for profit, so this is not applicable.

Energy intensity and CO₂ Emissions intensity Index* (Scope: Smelting & Refining Business in Japan)



—●— Energy intensity index
 —●— CO₂ emissions intensity index

In the SMM Group's Smelting & Refining Business in Japan, energy intensity for FY2021 was approximately the same as the previous year.

SMM is a member of the Japan Mining Industry Association (JMIA), an organization of non-ferrous mining, smelting and refining companies, and we are participating in the Carbon Neutrality Action Plan being led by the Japan Business Federation (Keidanren).

We will continue to proactively engage in thorough energy management, the promotion of energy-saving activities, the introduction of renewable energy, the use of unutilized heat, and other endeavors with the aim of reducing energy intensity by an average of at least 1% per year and further lowering CO₂ emissions over the medium to long term.

* Energy intensity and CO₂ emissions intensity index: The amount of energy consumed and CO₂ emitted during the production of 1 ton of product, assuming the base year FY1990 value to be 1.

Significant Environmental Accidents / Biodiversity

Material Flows within Business Activity (FY2021)

INPUT (Resources & Energy)

Raw Materials		Recycled Materials ¹		Materials	
Gold and silver ore	190kt	Copper scrap	124kt	Silica sand (for copper smelting)	89kt
Copper concentrates	1,287kt	Secondary zinc	12kt	Chemicals (lime-based)	1,114kt
Nickel oxide ore	7,998kt	Secondary precious metals	6kt	Chemicals (sodium-based)	108kt
Nickel matte, etc.	39kt	Electric arc furnace dust	97kt	Chemicals (magnesium-based)	13kt
Raw material for batteries	92kt	ALC waste	111t	Sulfuric acid	472kt
ALC raw material, incl. silica rock	153kt	Percentage of recycled input raw materials used 2.38%		Cement, etc.	93kt
Hydrotreating catalyst raw material	49kt				

Energy ²	Consumption	Energy Value
Non-renewable sources		
Heavy oil	48,850kL	1,998TJ
Coal/coke	505,241t	13,048TJ
Diesel/gasoline/kerosene	19,656kL	737TJ
LPG/LNG	8,792t	447TJ
City gas	8,531ML	384TJ
Purchased electricity	1,435,260MWh	13,963TJ
Purchased steam ³	- 256GJ	0TJ
Sub-total		30,577TJ
Renewable sources		
Solar power generation, binary power generation	503MWh	5TJ
Wood pellets	172t	3TJ
Biomass steam	64,997GJ	66TJ
Total energy consumption	-	30,651TJ

Water ⁴	
Total volume of fresh water withdrawn	35,970ML
Surface water (rivers)	13,954ML
Rainwater	53ML
Groundwater	7,108ML
Industrial water (water from another organization)	14,437ML
Tap water (water from another organization)	417ML
Volume of seawater withdrawn	145,301ML
Total volume of water consumed from all areas ⁵	4,917ML

1. Does not include materials recycled within plants.
 2. Calorific values for both Japan and overseas are calculated using coefficients conforming to the Japanese Act on the Rational Use, etc. of Energy for fuel, heat, electricity, etc. that were consumed in business activities both in Japan and overseas. Fuels used as reducing agents are also included. Energy value indicates the energy input in the case of purchased electricity and purchased steam, and calorific value for all others.
 3. The consumption and the energy value of purchased steam are indicated by subtracting the amount sold from the amount purchased.
 4. SMM uses the WWF Water Risk Filter to determine regions with high water stress. As a result of this, there are no areas of high water stress at SMM Group's production sites.
 5. The total water consumption is estimated by subtracting the total amount of water discharged from the total amount of water withdrawn.

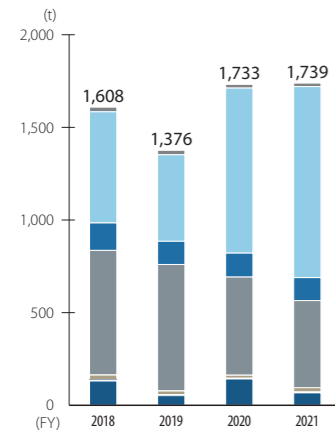
OUTPUT (Products & Emissions)

Products		Emissions into the Atmosphere		Emissions into Water	
Electrolytic copper	419kt	CO ₂	2,647kt	Total wastewater	176,781ML
Gold	17t	Scope 1 (direct emissions) ²	1,786kt (Decrease of 91 kt compared to the previous fiscal year)	Discharges into seas ⁴	175,753ML
Silver	231t	Scope 2 (indirect emissions) ³	861kt (Decrease of 22 kt compared to the previous fiscal year)	Discharges into rivers	974ML
Electrolytic nickel	52kt	SO _x	1,739t	Sewerage, etc.	55ML
Nickel sulfate	13kt	NO _x	1,352t	COD (chemical oxygen demand)	48t
Electrolytic cobalt	4kt	Soot and dust	84t	BOD (biochemical oxygen demand)	12t
Crude zinc oxide	40kt	PRTR substances	9t	Total phosphorus	1t
Chromite ¹	52kt	Waste (including Items of Value) Total waste 6,124kt Breakdown of total waste: Spoil 12kt Leach sludge from CBNC, THPAL, etc. 6,027kt Industrial waste (Japan) 84kt Other 1kt Landfill on company premises 6,039kt PRTR substances ⁵ 1,957t		Total nitrogen	73t
Ferronickel	61kt			PRTR substances (discharged into public water areas)	67t
Battery materials	62kt	ALC (Siporex)	310ML	PRTR substances (discharged into the soil or in landfills within business premises)	2t
Sulfuric acid	373kt	Percentage of products from recycled input 6.96%			
Slag	1,325kt				
Hydrotreating catalysts	8kt				

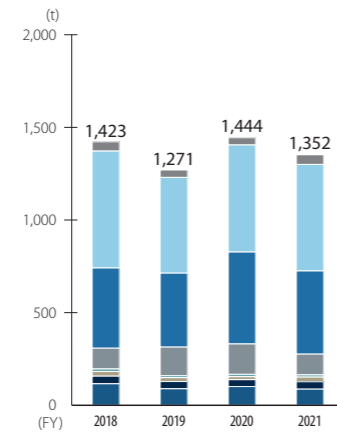
1. The percentage of products from recycled input increased because chromite was newly added to products.
 2. Direct emissions for both Japan and overseas are calculated using emission factors conforming to the Japanese Act on Promotion of Global Warming Countermeasures. This includes non-energy-derived GHG emissions (349 kt-CO₂e) that are outside the scope of the law. GHGs from wood pellets are not included.
 3. The amount of GHG emissions from electric power purchased in Japan is calculated according to the market-based method using the emission factors of electric suppliers. For overseas emission factors, we used the latest emission factors for each country as published by the IEA. The amount of indirect emissions was 699 kt-CO₂e when calculated for both Japan and overseas with the location-based method using IEA country-specific emission factors.
 4. Discharges into rivers flowing into enclosed seas are included as 'discharges into seas.'
 5. Total transfers to sewerage and off-site transfers.

Emissions into the Atmosphere

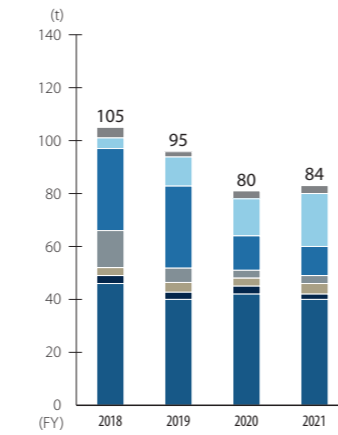
SOx Emissions



NOx Emissions



Soot and Dust Emissions

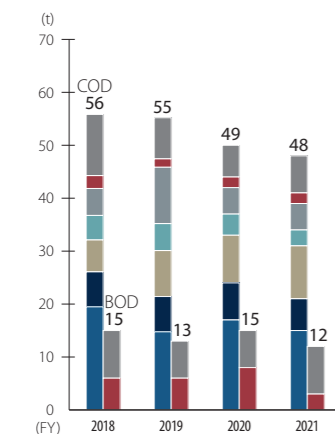


SOx emissions during FY2021 were level, increasing by about 0.4% year on year. NOx emissions decreased by about 6% year on year. At CBNC, emissions decreased by about 47 tons due to improved combustion conditions in the boiler. Soot and dust emissions increased about 4% year on year.

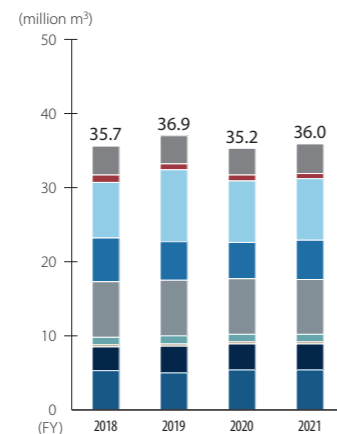
Each emissions figure was calculated based on the measurement of flue gas.

Emissions into Water

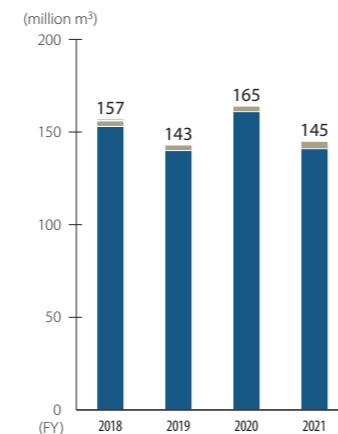
COD and BOD Pollutant Loads



Freshwater Withdrawal Volume



Seawater Withdrawal Volume



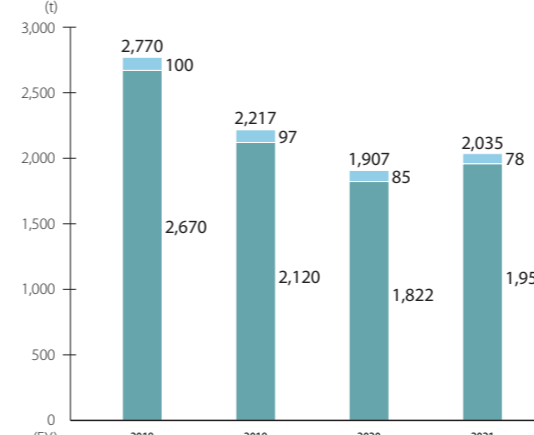
The COD¹ pollutant load in FY2021 decreased by about 3% year on year. The BOD² pollutant load decreased about 22% year on year. Many SMM Group business sites face onto Japan's Seto Inland Sea and are subject to controls on the total amounts of COD, nitrogen and phosphorous emissions under the Act on Special Measures Concerning Conservation of the Environment of the Seto Inland Sea.

The volume of freshwater usage increased by about 2% year on year to about 36 million m³. In this calculation, diversion water,³ which is unrelated to production, is excluded from withdrawal and release at mines. The volume of seawater usage decreased by about 12% year on year. This was attributable to a decrease in production volumes at the Toyo Smelter & Refinery.

1. COD (Chemical Oxygen Demand): Measured for emissions into seas, including emissions into rivers flowing into enclosed seas.
 2. BOD (Biochemical Oxygen Demand): Measured for emissions into rivers, excluding emissions flowing into enclosed seas.
 3. Diversion water: Water that flows into the site as an input and flows out of the site as an output without being used for production purposes. Included starting with data for FY2017.

Release Control for Chemical Substances

Release and Transfer of PRTR Substances



An overview of releases and transfers of chemical substances based on Japan's Pollutant Release and Transfer Register (PRTR) system in FY2021 is as follows.

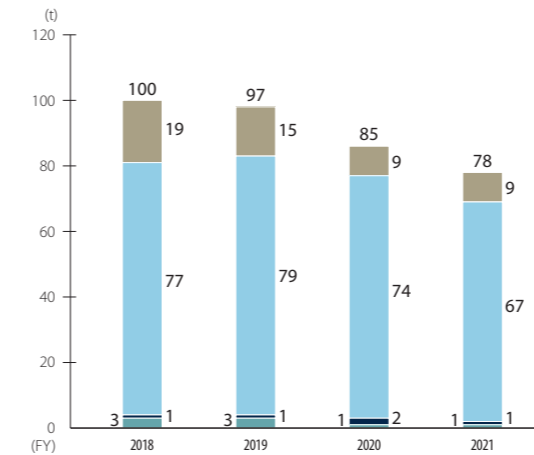
The number of data-submitting sites in the SMM Group was 24 (23 in FY2020). The Group had 42 (40 in FY2020) substances requiring registration.

The total released and transferred amount (releases + transfers) came to 2,035t, an increase of about 7% year on year, mainly due to an increase in transfers. The increase in transfers was due to an increase in the volume of iron clinker* to undergo final disposal as industrial waste after being generated as a by-product at Shisaka Smelting Co., Ltd. and a reduction in the volume of manganese transferred off-site.

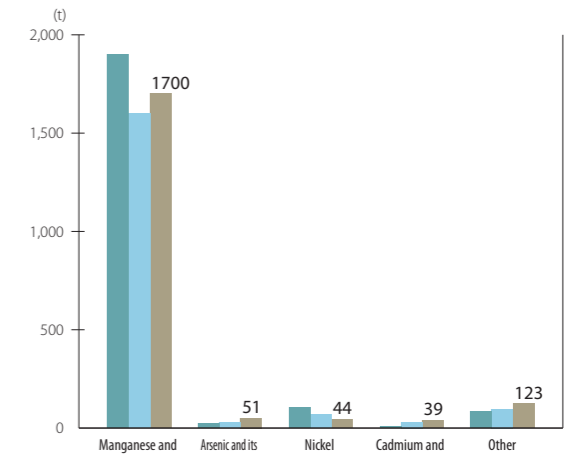
The amount discharged into the atmosphere increased by about 2%. There were no discharges of ozone-depleting substances. Discharges into water decreased by about 9% year on year.

* Iron clinker: The residue remaining during the processing of electric arc furnace dust after recovering zinc. The residue able to be sold is called "iron contained pellet," and the residue to be disposed of is called "iron clinker."

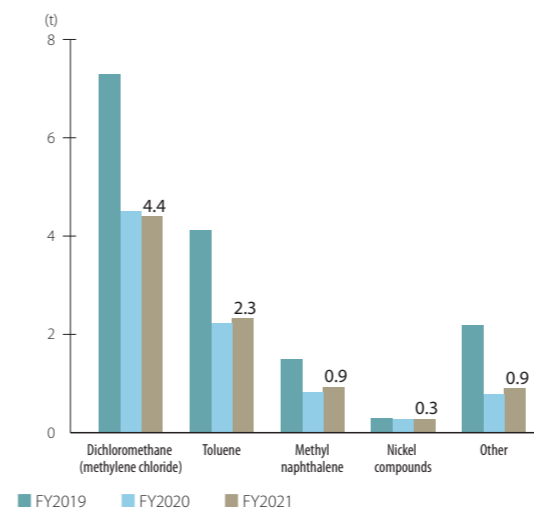
Breakdown of Releases, by Destination



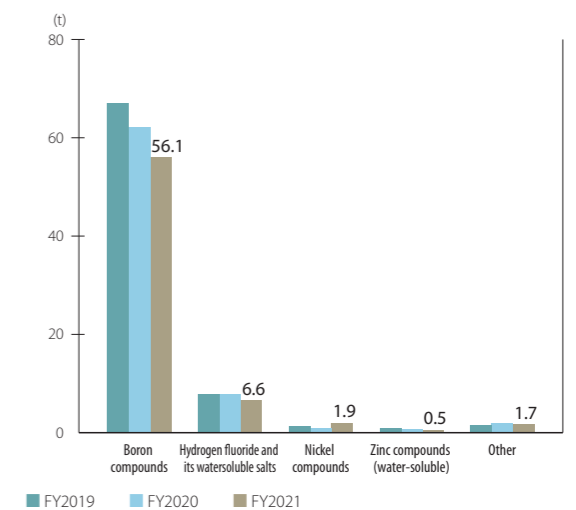
Breakdown of Transfers



Breakdown of Releases into the Atmosphere

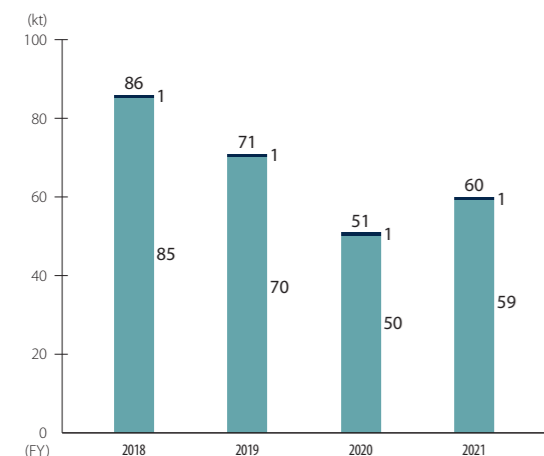


Breakdown of Releases into Water



Final Disposal Amount of Industrial and Mining Waste in Japan

Final Disposal Amount¹ of Industrial and Mining Waste in Japan



■ Industrial waste ■ Mining waste²

1. Includes waste destined for landfills and incineration without heat recovery.
2. Mining waste in the form of wastewater sludge generated by mine-affiliated Toyo Smelter & Refinery that is landfilled within the business site.

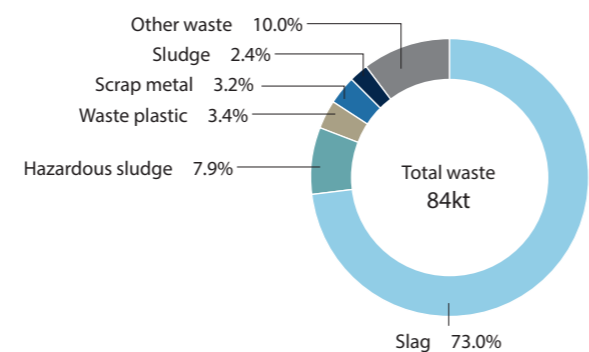
The SMM Group has long been making efforts to reduce industrial waste in Japan and the amount of wastewater sludge (mining waste) that undergoes final disposal from the mine-affiliated Toyo Smelter & Refinery. The total final disposal amount in FY2021 was 60kt, which was an increase of about 9kt from FY2020. The main factor behind this increase was an increase in the final disposal volume of iron clin-ker at Shisaka Smelting Co., Ltd.

Waste by Type and Treatment Method (FY2021)

Waste by Treatment Method (Hazardous³/Non-hazardous⁴)

Treatment method ⁵		Total		
		Total	Hazardous	Non-hazardous
Treatment method ⁵	Recycling	23.6	7.4	16.1
	Incineration (With heat recovery) ⁶	1.6	0.3	1.3
	Incineration (Without heat recovery) ⁶	0.4	0.0	0.4
	Landfill	6,095.6	55.2	6,040.5
	Volume reduction, etc.	2.6	1.3	1.3
	Total	6,123.8	64.3	6,059.5

Breakdown of Industrial Waste (in Japan) by Type of Waste



Landfill on company premises/ Contracted disposal	Landfill on company premises	Contracted disposal
	6,039	85

3. In general, this depends upon definitions of the regulations in the other releasing countries concerned. Since Japan does not have such laws or regulations, SMM applies the following definition: "Specially controlled industrial waste and waste delivered to controlled landfill sites (excluding designated inert waste (5 categories of inert waste) that should have been delivered to landfill sites for inert industrial waste, but was disposed of at controlled landfill sites due to the distance limitation)."
4. Waste other than hazardous waste.
5. Treatment methods outside of the Company were identified based on the written agreement with the disposal company and the manifest.
6. From this fiscal year incineration is classified into two categories: with heat recovery and without heat recovery, and the hazardous category of incineration (without heat recovery) is 0.04 thousand tons. To unify digits, it is shown as zero.

Emissions of Waste Plastic (FY2021)

	Directly controlled business sites		Group	
	Amount (t)	Details (%)	Amount (t)	Details (%)
Recycling	648	34	977	34
Recycling (Heat recovery)	641	34	885	31
Unused	Incineration (Without heat recovery)	277	282	35
	Landfill	316	728	
Total waste	1,882	100	2,873	100

Recycling of material and recycling, etc. (heat recovery) accounted for about 70% at directly controlled business sites and about 65% for the SMM Group as a whole. We will work to further reduce emissions and promote recycling.

Environmental Education

Name of activity	Targeted employees	Purpose, contents (simple overview)
EMS Internal Auditor Training Course	New internal environmental auditors	Training of new internal auditors for the EMS conforming to ISO 14001 (2015)
EMS Internal Auditor Course for updating to the ISO 14001 (2015) standard	Internal environmental auditors	Updating internal auditors with qualifications conforming to ISO 14001 (2004) to the 2015 version
Environmental e-learning (Environmental Laws)	Managers and supervisors, internal environmental auditors	Explanation of Japan's mandatory standards and notification procedures
Environmental e-learning (Environmental Laws, Basic)	Managers and supervisors, internal environmental auditors	Promote understanding of the spirit and idea of Japan's laws
Education of newly-appointed business site general managers	Newly-appointed business site general managers	Promote understanding of the importance of the relationship between corporations and the environment and raise self-awareness and environmental awareness as the business site general manager
Conference for environment managers	Environment managers of each of the business sites	Improve knowledge of Japan's environmental laws and regulations, enhance environmental management capabilities, raise self-awareness
Periodically send out information	Business site general managers	Provide information about revisions of laws and important precedents by a periodical e-mail magazine
Education about environmental preservation for mid-career hires	Mid-career hires at the Head Office	Impart knowledge about the SMM Group's environmental preservation initiatives and raise self-awareness
Education about environmental preservation for new employees	Newly-hired management track employees at the Head Office	Impart knowledge about the SMM Group's environmental preservation initiatives and raise self-awareness
Education about environmental preservation for newly-promoted section managers	Newly-promoted section managers	Provide information about the SMM Group's environmental preservation initiatives and raise self-awareness
Periodic education about the Chemical Substances Control Law	Division environment managers	Check the outline of Act on the Regulation of Manufacture and Evaluation of Chemical Substances and information on revisions, prevent omissions of notification, and raise self-awareness
Explanatory meeting: overseas chemical substance regulations	Head Office sales representatives	Impart knowledge to sales representatives about overseas chemical substance regulations and raise their self-awareness

Laws Covered in the Environmental e-learning Courses

Environmental Laws	Environmental Laws, Basic	Environmental Laws	Environmental Laws, Basic
Basic Environment Act	Basic Environment Act	Air Pollution Control Act (including the content of the Act on Pollution Prevention Systems in Specified Factories)	Air Pollution Control Act
-	Basic Act on Biodiversity	Water Pollution Control Act	Water Pollution Control Act
Basic Act on Establishing a Sound Material-Cycle Society	Basic Act on Establishing a Sound Material-Cycle Society	Soil Contamination Countermeasures Act	-
-	Act on the Promotion of Environmental Conservation Activities through Environmental Education	PRTR Law	PRTR Law
-	Law Concerning the Promotion of Business Activities with Environmental Consideration	Poisonous and Deleterious Substances Control Act	-
-	Act on Promotion of Global Warming Countermeasures	Waste Management and Public Cleansing Act	Waste Management and Public Cleansing Act
-	Act on Promotion of Rational Use of Energy	PCB Special Measures Law	-
Act on the Rational Use of Energy	Act on the Rational Use of Energy	-	Act on Promoting Green Procurement

The SMM Group has established two e-learning courses on environmental laws with the objective of raising levels of compliance. Employees, especially managers and supervisors, involved with environmental laws and regulations, and internal environmental auditors, are taking part in those courses. The e-learning course on Japan's main environmental laws covers ten laws that are deeply related to the businesses of the SMM Group and provides explanations of mandatory standards and notification procedures. As failing to comply with these requirements constitutes a violation of the law, employees must be certain to keep them in mind when conducting business. Given not only compliance with regulations and obligations, but also the voluntary risk management and information disclosure demanded of businesses today, the Group offers an e-learning course called Environmental Laws, Basic that serves as a stepping stone for properly conducting business. This course covers 12 laws, including the Basic Environment Act and the Basic Act on Biodiversity.

■ Employees' Occupational Health and Safety

Business Activities in Areas of High Biodiversity Value¹ (FY2021)

Area	Size of production site (hectares)	Details
Seto Inland Sea	62 (Minoshima & Ienoshima Islands)	Shisaka Smelting Co., Ltd. operates on Minoshima and Ienoshima islands, neighboring Setonaikai National Park (neighboring areas equivalent to IUCN Category 2)
The Philippines	583	Coral Bay Nickel Corporation operates on Palawan Island (in hunting-prohibited and bird protection areas equivalent to IUCN Category 4)

1. Protected areas classified as Category 4 and above by the International Union for Conservation of Nature (IUCN) and neighboring areas, as well as equivalent areas of high biodiversity value (SMM research). Areas classified as Category 1 are of highest priority.

Currently, there are no projects in any region requiring the preparation of a management plan.

Amount of Land Developed or Rehabilitated (FY2021)

(hectares)

	A: Total area of land not rehabilitated (as of the end of FY2020)	B: Area of land newly developed in FY2021	C: Area of land newly rehabilitated in FY2021	D: Total area of land developed but not rehabilitated (A+B-C)
Hishikari Mine Dept.	22	0	0	22
Coral Bay Nickel Corporation	421 ¹	0	4 ²	417
Taganito HPAL Nickel Corporation	568	0	1 ³	567

1. Historical figures were reviewed and adjustments were made to prior periods.

2. In addition to the rehabilitated area within the development site mentioned above, CBNC cooperated with the Philippine government, and proceeded with the rehabilitation of an additional 35 hectares in nearby regions outside the development site in FY2021, bringing the total certified rehabilitated area to 126 hectares (including bamboo groves) to date.

3. In addition to the rehabilitated area within the development site mentioned above, THPAL cooperated with the Philippine government, and proceeded with the rehabilitation of an additional 86 hectares in nearby regions outside the development site in FY2021, bringing the total certified rehabilitated area to 541 hectares to date.

Work-Related Incidents (2021)

*"Employees" includes employees and part-time workers from Group companies

	Japan				Overseas			
	Employees		Non-employee workers		Employees		Non-employee workers	
Number of work-related fatalities and frequency rate (Calculated per 1,000,000 hours, same applies below) <input checked="" type="checkbox"/>	1	0.07	1	0.50	0	0	0	0
Number of work-related injuries resulting in disability and frequency rate <input checked="" type="checkbox"/>	0	0	0	0	0	0	0	0
Number of recordable work-related injuries and frequency rate ¹ <input checked="" type="checkbox"/>	20	1.48	8	3.99	1	0.35	7	0.58
Main types of work-related incidents	Getting caught between objects, getting tangled in objects, lacerations, contact with harmful substances, contact with high- or low-temperature objects, results of movements or unreasonable actions, stumbles, impact injuries, falling objects				Getting caught between objects, contact with harmful substances, lacerations, stumbles, falling objects			
Cumulative hours worked	13,528,961 hours		2,004,000 hours ^{2,3}		2,870,000 hours ²		11,980,000 hours ^{2,3}	
Number of potential incidents ⁴	26		7		0		2	
Sources of work-related hazards that lead to disability, and method of determination	1) Heavy loads, 2) chemicals, 3) high-temperature objects, 4) rotating objects, 5) electricity, 6) high places, 7) heavy machinery, 8) cylinders, 9) hand tools Sources have been classified based on analysis into damage caused by incidents in the past.				1) Heavy loads, 2) chemicals, 3) high-temperature objects, 4) rotating objects, 5) electricity, 6) high places, 7) heavy machinery, 8) cylinders, 9) hand tools Applied based on the results of analysis of incidents in Japan			
Incidents leading to disabilities and resulting from sources of work-related hazards, and actions taken or underway to eliminate these hazards using the hierarchy of controls ⁵	<p>Employees</p> <ul style="list-style-type: none"> Heavy machinery (resulting in death): Install drive recorders and proximity detection systems. Increased separation of pedestrians and vehicles. Electricity (not resulting in absence from work): Revised power failure operating procedures. Enhanced protection against getting electrical shocks. Cylinders (resulting in absence from work): Added dual-switching of the roll down button. High places (resulting in absence from work): Improved the structure of the lifting points. Installed non-slip surfaces. Clarified 3-point support points. Chemicals (resulting in absence from work): Changed to a method that does not directly handle chemical powder. Reinforced anti-aggravation measures. <p>Contractors</p> <ul style="list-style-type: none"> High places (resulting in death): Strengthened verification and management of qualified personnel. Installed people to act as emergency response monitors. 				<p>Contractors</p> <ul style="list-style-type: none"> High places (resulting in absence from work): Made it a rule to install lifting equipment to raise and lower the cargo bed. 			
Incidents resulting from other sources of workplace hazards and actions taken or underway to eliminate these hazards using the hierarchy of controls ⁵	N/A				N/A			

1. "Recordable work-related injuries" is the total of injuries that required hospital treatment and resulted in absence from work and injuries not resulting in absence from work.

2. Estimated based on one person working 2,000 hours per year.

3. Total working hours of workers other than employees (those working at regular contractors) based survey numbers from May 2022. Calculated based on note 4 above.

4. The number of minor incidents (visited the hospital but no treatment needed).

5. Hierarchy of controls: An approach for lowering risk to acceptable levels through prioritization as follows: Elimination of source of risk → Substitution of source of risk → Engineering controls → Administrative controls → Personal protective equipment

Source: The US National Institute for Occupational Safety and Health (NIOSH)

Work-Related Ill Health (2021)

Employees includes employees and part-time workers from Group companies

	Japan		Overseas	
	Employees	Non-employee workers	Employees	Non-employee workers
Number of fatalities as a result of work-related ill health	0	0	0	0
Number of cases of recordable work-related ill health ¹	0	0	0	0
Main types of work-related ill health and method of determination	As stated in the Japanese occupational health and safety laws and regulations • Pneumoconiosis • Ionizing radiation injury • Organic solvent poisoning • Damage caused by specified chemical substances (occupational cancer, skin damage, etc.) • Lead poisoning • Vibration-induced damage • Noise-induced hearing loss • Occupational dental problems (dental erosion, etc.)		As set forth in the Occupational Safety and Health Standards of the Philippines • Occupational cancer • Hearing loss • Dermatitis • Ionizing radiation injury • Poisoning and sequelae due to chemical substances • Pneumoconiosis • Pneumonia • Vibration-induced damage • Malaria • Asbestos-related diseases, etc. As set forth in the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases • Pneumoconiosis and other respiratory diseases • Dermatitis • Hearing loss • Vibration-induced damage • Dental erosion • Chemical poisoning • Radiation injury • Occupational cancer, etc. As set forth in the Occupational Safety and Health Act (Taiwan) Labor Insurance Act • Pneumoconiosis • Ionizing radiation injury • Hearing loss • Vibration-induced damage • Dental erosion • Dermatitis • Poisoning and sequelae due to chemical substances (organic solvent poisoning, etc.)	
Sources of work-related hazards that lead to work-related ill health	• Dust • Ionizing radiation • Organic solvents • Specified chemical substances • Lead • Vibrating tools • Noise • Substances that erode the teeth (acids)		• Dust • Ionizing radiation • Chemical substances (organic solvents, etc.) • Lead • Vibrating tools • Noise • Substances that erode the teeth (acids), etc.	
Incidents resulting from sources of work-related hazards leading to work-related ill health and actions taken or underway to eliminate these hazards using the hierarchy of controls ²	• No work-related ill health occurred that required treatment • Implementing improvements to working environments at business sites, with Control Class 3 workplaces as a priority • Using a risk assessment database of chemical substances to prevent illness		No work-related ill health occurred that required treatment	

1. Regarding employees in Japan, we also record the number of workers who receive abnormal findings but do not require treatment (as this is personal information, it is not disclosed).
2. Hierarchy of controls: An approach for lowering risk to acceptable levels through prioritization as follows: Elimination of source of risk → Substitution of source of risk → Engineering controls → Administrative controls → Personal protective equipment
Source: The US National Institute for Occupational Safety and Health (NIOSH)

Occupational Health and Safety Management System (2021)

In order to prevent accidents and illness caused by unsafe circumstances and behavior, we are advancing occupational health and safety measures at each Group business site based on the concept of hierarchy of controls.¹ In Japan, we are building an occupational health and safety management framework as stipulated by the Japanese Industrial Safety and Health Act, and are formulating policies, targets, and plans. We are also implementing a one-year PDCA cycle and each level of the Company is working to reduce risk in accordance with their role. The business division with jurisdiction and the Safety & Environment Control Department are implementing internal

audits at all business sites, patrolling each one, and we are advancing activities based on the Ministry of Health, Labour and Welfare's Occupational Safety and Health Management System (OSHMS)² guidelines.

1. Hierarchy of controls: An approach for lowering risk to acceptable levels through prioritization as follows: Elimination of source of risk → Substitution of source of risk → Engineering controls → Administrative controls → Personal protective equipment
Source: The US National Institute for Occupational Safety and Health (NIOSH)
2. OSHMS is an abbreviation of Occupational Safety and Health Management System and it is a management system that aims to improve occupational health and safety levels at business sites through the implementation of a set of processes known as the PDCA cycle (Plan, Do, Check, Act), based on cooperation between businesses and their workers.

(SMM Group companies)

	Japan Business Sites		Overseas Business Sites	
	Ratio	Number of employees ¹	Ratio	Number of employees ¹
Workers covered by an Occupational Health and Safety Management System	100% ²	7,008 ³	100% ²	1,452 ³
Workers covered by an Occupational Health and Safety Management System subject to internal audits ⁴	100%	7,008	100%	1,452
Workers covered by an Occupational Health and Safety Management System subject to third party audits and certification	28%	1,964	7%	99
Business sites with third party certification	Japan		Overseas	
	Certified business sites acquisition rate: 19% ISO 45001: Nippon Ketjen Co., Ltd.; Hishikari Mine; Hishikari Office, Mining Dept., Sumiko Resources Exploration & Development Co., Ltd.; Niihama Nickel Refinery; Toyo Smelter & Refinery JISHA method OSHMS: Numazu Office and Tsukuba Office of N.E. Chemcat Corporation; Shinko Co., Ltd.; Ome District Division		Certified business sites acquisition rate: 60% Safety and production standardization (State Administration of Work Safety): Dongguan Sumiko Electronic Paste Co., Ltd. Safety and production standardization (State Administration of Work Safety): Shanghai Sumiko Electronic Paste Co., Ltd. Third party audit implemented by the Ministry of Labor: Taiwan Sumiko Materials Co., Ltd.	

(Regular contractors)

	Japan Business Sites		Overseas Business Sites	
	Ratio	Number of employees ¹	Ratio	Number of employees ¹
Workers covered by an Occupational Health and Safety Management System	100% ²	1,002	100% ²	5,990
Workers covered by an Occupational Health and Safety Management System subject to internal audits ⁵	100%	1,002	100%	5,990
Workers covered by an Occupational Health and Safety Management System subject to third party audits and certification	2%	21	0%	0
Business sites with third party certification	Japan		Overseas	
	Certification acquired by one contractor of Hyuga Smelting Co., Ltd. (JISHA method OSHMS)		None	

1. Includes temporary employees covered by SMM Group occupational health and safety administration.
2. Japan: We have built an occupational health and safety management framework as stipulated by the Japanese Industrial Safety and Health Act, formulated policies, targets, and plans, and implemented a one-year PDCA cycle. Activities are carried out for each level of the organization and cover 100% of employees.
Overseas: We have built the system in accordance with the occupational health and safety laws and regulations of each country.
3. Workers at business sites covered by safety statistics.
4. Japan: Internal audits are implemented at each business site in turn by the business division with jurisdiction, the Safety & Environment Control Department, the Besshi-Niihama District Division Safety & Environment Control Center (Besshi District), or other organizations. The audits confirm each business site's policy, targets, activity plan, and implementation status and ensure a PDCA cycle is being carried out.
Overseas: The business division with jurisdiction carries out audits around twice a year in the form of patrols. Dongguan Sumiko Electronic Paste Co., Ltd. carries out an internal audit each year.
5. Japan: While there are cases where some small contractors do not implement checks on the level of internal audits, contracting organizations offer guidance on occupational health and safety and carry out various patrols, and other measures, and the majority do implement checks on the level of internal audits.
Overseas: At Coral Bay Nickel Corporation, internal audits take the form of patrols and contractor safety meetings led by the contracting organization. At Taganito HPAL, contractors implement internal audits or participate in patrols led by Taganito HPAL.

Identification of Hazard Sources, Risk Assessment, and Accident Investigation (2021)

(SMM Group companies)

	Japan Business Sites	Overseas Business Sites
Ongoing improvements to risk assessment (RA) process quality assurance and management systems	RA has been introduced and we continuously make improvements in regard to risk at business sites. The effectiveness of whether they contribute to preventing serious accidents is reviewed as appropriate under the leadership of the Safety & Environment Control Department.	RA is being introduced and we continuously make improvements in regard to risk at business sites. The effectiveness of these is reviewed as appropriate.
Processes for employees to report hazards and employee protection methods	We receive reports of hazards from employees through minor incident reports, morning meetings, informal discussions, etc., and take necessary measures.	We receive reports of hazards from employees through minor incident report forms, oral reports, etc. and take necessary measures.
Methods for protecting employees carrying out work that might lead to illness or injury	In addition to RA, we reduce risk through methods including various patrols, work observation, hazard prediction training, and mutual attention.	In addition to RA and hazard prediction activities, we reduce risk through methods including patrols.
Accident investigation and countermeasures and system improvement processes	When accidents occur, we consider and deal with each case through the accident reporting database which stipulates a process that includes, investigating the characteristics of the hazard source and any background factors, and formulating countermeasures. Measures tackling the hazard source are handled according to the hierarchy of controls (in the same way as RA, etc.), which prioritizes measures targeting equipment.	Investigations and countermeasures are implemented in accordance with systems at each business site including case studies and horizontal development. Measures tackling the hazard source are handled according to the hierarchy of controls, which prioritizes measures targeting equipment.

(Regular contractors)

	Japan Business Sites	Overseas Business Sites
Ongoing improvements to risk assessment (RA) process quality assurance and management systems	A similar in-house process as the contracting organization is used. (In some cases, using the contracting organization's process.)	At Coral Bay Nickel Corporation, some contractors are introducing RA initiatives such as 10-second employee hazard prediction, and at Taganito HPAL Nickel Corporation, some are introducing RA.
Processes for employees to report hazards and employee protection methods	A framework is in place to ensure implementation of necessary measures and provide reports in areas such as minor incident and points on which to take note.	A framework is in place so that if either the contracting organization or contractor discovers information such as minor incident, they will contact each other.
Methods for protecting employees carrying out work that might lead to illness or injury	In addition to RA, various patrols are implemented by the contracting organization and measures are taken as necessary.	Measures implemented center on hazard prediction activities. Measures such as patrols by the contracting organization are also implemented.
Accident investigation and countermeasures and system improvement processes	A similar process as the contracting organization is used. (Also using the accident reporting database of the contracting organization.)	Either checks are made by the contracting organization following consideration of the case by the contractor, or the contracting organization works with the contractor to implement an investigation, counter measures, and improvements. Measures tackling the hazard source are handled according to the hierarchy of controls, which prioritizes measures targeting equipment.

Provision of Occupational Health and Safety Services (2021)

	Japan Business Sites	Overseas Business Sites
Hazard simulations	An experience simulating a hazardous situation. Repeated training is being held based on actual conditions at business sites. Employees from contractor companies participate in this training. We also cultivate instructors.	Once a year a total of about 15 employees from Coral Bay Nickel Corporation, and Taganito HPAL Nickel Corporation receive hazard simulation training in Japan. However, this was cancelled in FY2021 due to the COVID-19 pandemic.
Anzen Dojo	Up to 2018, <i>Anzen Dojo</i> training was held at each business site (on topics such as mechanisms that lead to incidents) and contributed to activities at these business sites such as education.	At Coral Bay Nickel Corporation, and Taganito HPAL Nickel Corporation, Japanese employees receive safety training that incorporates <i>Anzen Dojo</i> content twice a year when the relevant business division implements safety patrols. There was no training during safety patrols in FY2021.
An organizational structure and regulations, including safety managers, qualified personnel, and training plan	Required by Japanese laws and regulations. Managed by each business site.	A person responsible for health-related matters is employed in accordance with the occupational health and safety laws and regulations of each country.
A working environment management framework	Required by Japanese laws and regulations. Managed by each business site.	Required by the occupational health and safety laws and regulations of each country.
Medical examinations (general, specific, specialized), radiation exposure management, action on results of health checkups, and an health guidance framework	Required by Japanese laws and regulations. Managed by each business site.	All employees receive regular medical examinations (once a year).
Mental health-related checkups, consultations	Required by Japanese laws and regulations. Managed by each business site.	Japanese employees use systems provided by SMM.
Industrial doctors, health advisors, nurses, etc. (including health consultations)	Implemented in accordance with the Japanese Industrial Safety and Health Act or agreements are arranged with industrial doctors accordingly. Managed by each business site.	At Coral Bay Nickel Corporation, and Taganito HPAL Nickel Corporation, industrial doctors are commissioned in accordance with Japanese laws and regulations.
Internal workshops, small group activities	Small group activities are held for all employees for purposes such as improving communication or enhancing hazard awareness through education and the sharing of disaster case studies, which may include the incorporation of content from <i>Anzen Dojo</i> .	Initiatives are implemented accordingly by each business site.
Lectures from external instructors (life-saving and first aid, traffic accident prevention, etc.)	Red Cross first aid courses, life-saving courses by the fire department, traffic safety training by the police, etc. Managed by each business site.	Employees are sent out to first aid, health and safety, and other seminars.
Emergency rooms and equipment (life-saving and first aid, including AEDs, measures for pandemics or infectious diseases, etc.), an emergency contact network	There is also an emergency contact network covering the entire company. Managed by each business site.	Each business site implements measures such as the installation of emergency rooms, AED, and first-aid kits, and the maintenance of an emergency contact network.
Break rooms	Provided at business sites as needed, in line with policies related to measures to create a comfortable work environment. Considerations such as heat stroke are taken into account. Also, break rooms have been provided to ensure prevention of passive smoking.	Managed by each business site.
Dining halls (nutritionists)	Can be used by all employees at business sites where they are available.	Dining halls installed or made available at each business site.
Laundry rooms	Can be used by all employees at business sites where they are available.	Laundry rooms have been provided within Coral Bay Nickel Corporation and Taganito HPAL Nickel Corporation plants. At some business sites, the washing of work clothes is outsourced.
Bath/shower facilities	Can be used by all employees at business sites where they are available.	Installed at Coral Bay Nickel Corporation, and Taganito HPAL Nickel Corporation.
Company housing and dormitories	Can be used by all employees at business sites where they are available.	Provided at Coral Bay Nickel Corporation, and Taganito HPAL Nickel Corporation.
Suggestion boxes	Can be posted through the SMM bulletin board. Internal reporting phone lines are also available.	Managed by each business site.
Management of personal information	Required by Japanese laws and regulations.	Managed by each business site.
(Examples of other services provided)		
	Japan Business Sites	Overseas Business Sites
Tackling lifestyle-related disease and promotion of health	Thorough medical checkups (health insurance union subsidies available), other. These are available to all employees. Health promotion activities are also implemented at each business site.	Managed by each business site.
Medical and healthcare services not directly connected to operations	Mental health (external eMe) guidance for procuring medication, guidance regarding test kits (external organization).	At Coral Bay Nickel Corporation, and Taganito HPAL Nickel Corporation, we have installed on-site medical offices where treatment can be received free of charge. We also have a subsidy system covering visits to external medical facilities.
Voluntary health promotion services and programs provided to tackle major health risks not directly connected to operations	Workers have access to occupational health services and health guidance is provided by industrial doctors.	Individual programs are being implemented at Coral Bay Nickel Corporation, and Taganito HPAL Nickel Corporation.

Labor-Management Discussion Concerning Occupational Health and Safety (Status of Occupational Health and Safety Committees) (2021)

	Japan Business Sites	Overseas Business Sites
SMM Group companies	Occupational Health and Safety Committee meetings are held every month (with over half of representatives from the labor side at each business site in cases where said business site has more than 50 people, in accordance with stipulations in the Japanese Industrial Safety and Health Act). These provide opportunities to share information and hold discussions concerning occupational health and safety, while decision making is implemented by the people with overall responsibility on the management side (top management), and PDCA cycles are implemented.	Meetings are held once a month at Coral Bay Nickel Corporation, and Taganito HPAL Nickel Corporation, while at other sites, meetings of bodies comprising both labor and management, such as Occupational Health and Safety Committees, are held every quarter. Management of progress toward safety management targets is implemented.
Regular contractors	Occupational Health and Safety Committee meetings and informal gatherings are held every month by contracting organizations in which contractors and others participate and information is shared. This information is taken back to the company where it is shared and used to make notifications.	Coral Bay Nickel Corporation, and Taganito HPAL Nickel Corporation only: Contractor safety meetings are held once a month. Progress toward safety management targets by contractors is managed and information is shared.

General Education and Training Regarding Occupational Health and Safety (2021)

	Japan Business Sites	Overseas Business Sites
SMM Group companies	Education is provided as stipulated in the Japanese Industrial Safety and Health Act (new employee training, special education, training when starting hazardous or potentially harmful operations, etc.) and places for gaining qualifications are provided. Risk response training, such as accident response, is also provided.	Implemented and managed accordingly by each business site.
Regular contractors	Education is provided as stipulated in the Japanese Industrial Safety and Health Act (new employee training, special education, training when starting hazardous or potentially harmful operations, etc.). Accident response and hazard simulation drills are also carried out at some business sites.	Coral Bay Nickel Corporation, and Taganito HPAL Nickel Corporation only: Education is provided during operation halts, etc.

Diverse Human Resources / Development and Participation of Human Resources

Total Time Spent on Employee Education (FY2021)

	Officers		Managers		Regular employees		Occasional employees and temporary employees		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
SMM non-consolidated	324	0	17,038	219	135,008	18,030	13,439	4,855	188,913
Consolidated subsidiaries in Japan	402	2	3,153	64	31,087	3,028	4,323	1,711	43,769
Consolidated subsidiaries overseas	264	25	562	321	12,985	4,095	47	23	18,322
(hours)									
	Officers		Managers		Regular employees		Occasional employees and temporary employees		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
Annual hours of education per SMM Group's employee (average) <input checked="" type="checkbox"/>	9	0	22	6	37	21	20		30
Number of officers and employees at the end of the fiscal year	109	0	958	103	4,840	1,193	1,214		8,417

In addition to the total time spent on education, employees spent the following number of hours on e-learning courses: 9,450 hours for SMM non-consolidated, and 4,342 hours for consolidated subsidiaries in Japan and overseas.

New Hires and Departures (FY2021)

Location	Younger than 30 years old		30–49 years old		50 years old and older		Total	
	Male	Female	Male	Female	Male	Female		
Japan	New employees	196	42	87	11	15	2	353
	New employees (%)	22.9	23.1	3.9	2.2	1.0	1.2	6.5
	Departures	41	7	37	10	62	4	161
	Turnover (%)	4.8	3.8	1.6	2.0	4.1	2.4	2.9
	Total employees	855	182	2,253	507	1,504	170	5,471
U.S.A.	New employees	0	0	1	0	0	0	1
	New employees (%)	0.0	0.0	20.0	0.0	0.0	0.0	7.7
	Departures	0	0	0	0	1	0	1
	Turnover (%)	0.0	0.0	0.0	0.0	0.0	0.0	7.7
	Total employees	0	1	5	6	0	1	13
Canada	New employees	0	0	0	0	0	0	0
	New employees (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Departures	0	0	0	0	0	0	0
	Turnover (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total employees	0	0	7	2	2	0	11
South Korea	New employees	0	0	0	0	0	0	0
	New employees (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Departures	0	0	0	0	0	0	0
	Turnover (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total employees	0	0	1	2	0	0	3
Peru	New employees	0	0	0	0	0	0	0
	New employees (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Departures	0	0	0	0	0	0	0
	Turnover (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total employees	3	1	7	2	2	0	15
Chile	New employees	0	0	0	0	0	0	0
	New employees (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Departures	0	0	0	0	0	0	0
	Turnover (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total employees	3	4	7	2	5	2	23
China	New employees	8	0	3	1	0	0	12
	New employees (%)	47.1	0.0	7.0	3.1	0.0	0.0	12.0
	Departures	5	0	5	1	0	0	11
	Turnover (%)	29.4	0.0	11.6	3.1	0.0	0.0	11.0
	Total employees	17	0	43	32	8	0	100

Location	Younger than 30 years old		30–49 years old		50 years old and older		Total	
	Male	Female	Male	Female	Male	Female		
Philippines	New employees	10	5	13	0	0	0	28
	New employees (%)	4.2	3.4	1.7	0.0	0.0	0.0	2.0
	Departures	8	4	9	1	1	0	23
	Turnover (%)	3.3	2.7	1.2	0.5	1.8	0.0	1.6
	Total employees	240	149	763	204	57	8	1,421
Taiwan	New employees	0	0	0	0	0	0	0
	New employees (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Departures	0	0	0	0	0	0	0
	Turnover (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total employees	1	0	9	11	1	4	26
Australia	New employees	0	0	0	0	0	0	0
	New employees (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Departures	0	0	0	0	0	0	0
	Turnover (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total employees	0	0	5	2	0	0	7
Brazil	New employees	0	0	0	0	0	0	0
	New employees (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Departures	0	0	0	0	0	0	0
	Turnover (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total employees	0	0	0	0	0	1	1
Thailand	New employees	0	0	0	0	0	0	0
	New employees (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Departures	0	0	0	0	0	0	0
	Turnover (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total employees	0	2	0	1	0	0	3
Total	New employees	214	47	104	12	15	2	394
	New employees (%)	19.1	13.9	3.4	1.6	0.9	1.1	5.6
	Departures	54	11	51	12	64	4	196
	Turnover (%)	4.8	3.2	1.6	1.6	4.1	2.2	2.8
	Total employees	1,119	339	3,100	771	1,579	186	7,094

Total employees: number of employees as of March 31, 2022. Officers, non-regular and limited-term employees, and temporary employees are not included in the figures for new employees, departures, and total employees.

New employees, percent: number of new employees ÷ total employees x 100.

Turnover: number of departures ÷ total employees x 100.

Current Status of the Implementation of the Basic Survey into Employee Human Rights (FY2021)

In FY2016, we conducted a Human Rights Due Diligence Survey at 56 of our 73 business sites inside and outside Japan (77% coverage). Human Rights Due Diligence Surveys conducted to date identified harassment, communication, and the use of the human rights hotline as some of the matters deemed in need of on-going monitoring. These were made the target of further surveys at 26 sites inside Japan.

Fiscal year conducted	Sites surveyed	Percent of total sites
2017	3	13%
2018	9	50%
2019	6	75%
2020	6	100%
2021	2	108%*

* Two new business sites were added due to a review of the 24 sites in Japan selected in FY2017.

Current Situation Regarding Parental Leave (as of March 31, 2022) (SMM non-consolidated)

	Total	Male	Female
Employees with the right to take parental leave ¹	100	86	14
Employees who took parental leave ²	30	18	14
Employees who took parental leave during FY2021 and have since returned to work	31	15	16
Employees who were still working at the Company 12 months after returning from parental leave ³	22	6	16
Return-to-work rate of workers who took parental leave ⁴	31/31 (100%)	15/15 (100%)	16/16 (100%)
Retention rate of workers who took parental leave ⁵	22/22 (100%)	6/6 (100%)	16/16 (100%)

- Male employees: Number of people who submitted a notification of birth to the Company for birth by a spouse in FY2021.
Female employees: Number of people who gave birth in FY2021
- Male employees: Number of people who took parental leave in FY2021
Female employees: Number of people who gave birth in FY2021 and took parental leave.
- The number of employees who returned to work in FY2020 and were still working at the Company 12 months later.
- Return-to-work rate: number of employees who returned to work in FY2021 ÷ number of employees who intended to return to work in FY2021 x 100.
- Retention rate: number of employees who returned to work in FY2020 and were still working at the Company 12 months later ÷ number of employees who returned to work in FY2020 x 100.

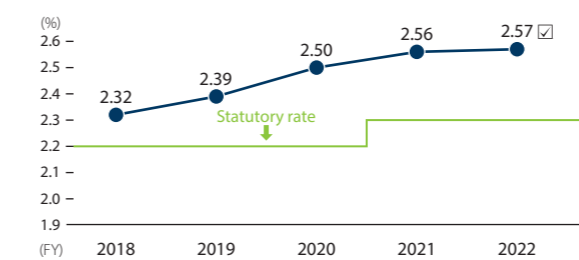
Employee Skill Improvement and Transition Support Program

SMM Human Resources Development Program

	F-class, J-class	S-class	E-class	Section managers	General managers	Officers
Duty-based program	Mining School Smelting & Refining University	Attend MINETEC Introductory duty-based OJT for new employees	Introductory duty-based OJT for new employees			
Self-development	Brush-up training	Brush-up training	e-learning Fee assistance for language proficiency tests Foreign language programs Company-wide correspondence education Basic SMM education			
3 year program for management track employees	Introductory training Short-term overseas training Second-year training Third-year graduation paper presentation	Introductory training Short-term overseas training Second-year training Third-year graduation paper presentation				
Seminar for newly promoted employees	Factor compliance seminar (at each branch office)	Management track S-class employee seminar (at branch office)	E-class employee seminar SMM - MMP	Section manager seminar SMM - MMP	General manager seminar	
Development of next generation of management			Training to develop next generation of executive managers Participate in training and seminars with employees on other career tracks			
Mid-career hires			Introductory training for mid-career hires Secondary training for mid-career hires on the management track			
Project leaders			New employee supervisor training Supervisor/line leader training Problem-solving training for office workers			
Specialized education			Pursue higher education in Japan Training in Japan			
External training			Language registration program Language training prior to overseas assignment Overseas training Overseas assignment			
Development of global human resources			Career coaching school Training for management track employees with women from other industries			
Women's career support			Individual career support	Communication training to support the success of subordinates		
Compliance, governance, risk management			Compliance seminar Seminar on work and labor Human rights seminar, seminar on promotion of diversity JCO Study Center training			
Safety skills			Hazard simulation training Equipment skills training			
Pre-retirement support			Life plan training (at 50 and 58 years old) Seminar on balancing work and nursing care			

Employment Rate of Disabled People Over the Past Five Years

(Sumitomo Metal Mining Co., Ltd., employment rate as of June 1 of each fiscal year)



Every year, SMM accepts students with disabilities for internship positions. By deepening understanding of our workplaces and work through the experience, we are increasing the number of students who feel confident in joining our Company.

Employee and Labor-Related Information

Number of Employees & Officers Worldwide (Consolidated) (March 31, 2022)

	Employees																Total	Temporary employees
	Permanent employees														Occasional employees			
	Full-time officers		Managers						Regular employees						Non-regular/limited-term employees			
			Younger than 30 years old		30-49 years old		50 years old and older		Younger than 30 years old		30-49 years old		50 years old and older					
Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female			
SMM non-consolidated	23	0	0	0	168	9	289	4	468	116	737	171	510	70	235	36	2,836	182
Consolidated subsidiaries in Japan	61	0	0	0	89	3	178	0	387	66	1,259	324	527	96	267	131	3,388	355
Consolidated subsidiaries overseas	25	0	19	12	192	68	23	7	245	145	655	196	52	9	6	1	1,655	1
Total	109	0	19	12	449	80	490	11	1,100	327	2,651	691	1,089	175	508	168	7,879	538

In Japan, 61% of employees belonged to workers' unions. Overseas, two companies have workers' unions (excluding Chinese labor unions) resulting in a workers' union membership at overseas consolidated subsidiaries of 52% . The number of all employees excluding officers is used as the denominator of the workers' union membership percentage.

Number of Employees & Officers by Country and Region (March 31, 2022)

Country/Region	Japan	U.S.A.	Canada	Netherlands	Peru	Chile	China	South Korea	Philippines	Taiwan	Australia	Brazil	Thailand	Total
Male	5,198	6	11	1	13	18	76	2	1,071	12	6	0	1	6,415
Female	1,026	8	2	0	3	8	32	2	362	15	2	1	3	1,464
Total	6,224	14	13	1	16	26	108	4	1,433	27	8	1	4	7,879

Engagement with Stakeholders

Stakeholder Engagement (FY2021)

Stakeholders	Communication method and content	Integrated Report 2022 reference pages
Customers	Business activities Websites Commercials	Quality Assurance P.138-139
Shareholders and Investors	For institutional investors and analysts: • Hold Account Settlement and Business Strategy Progress Briefing sessions (2 times/year) • Hold telephone conferences on the content of financial reports (4 times/year, with simultaneous Japanese to English interpretation) • Hold a briefing session on the 2021 3-Year Business Plan (once/year) For individual investors: • Publish The Report for Shareholders (2 times/year) • Hold a briefing (3 times/year)	Engagement with Stakeholders P.110-112
Employees	In-house bulletins/intranet Various training Employment environment surveys Japan: • Hold labor-management council meetings, labor-management discussions, and Labor-Management Advisory Committee meetings (as needed) • Hold a Central Labor Management Conference (1 time/year) • Set individual job targets at the start of the fiscal year, and hold talks between individual employees and their supervisors to ascertain the progress being made toward the targets. (3 times/year) Overseas: • Establish opportunities for regularly explaining management status to labor unions and employee representative organizations, and for hearing the opinions and requests of employees. In response to requests for safety and work environment improvements, we confirm the conditions and enact the necessary improvement measures. Additionally, for cases where changes are made that particularly affect employees, we provide notice for an appropriate period in advance and provide a space for checking opinions	Diverse Human Resources/Development and Participation of Human Resources P.108-109
Local Communities and Indigenous Peoples	Hishikari Mine: Hold Pollution Prevention Council meetings (2 times/year) • CBNC: Hold regular information exchanges with 22 barangays, ¹ including 11 "impact barangays" near Rio Tuba. • THPAL: Hold regular information exchanges with 14 barangays, including 4 neighboring "impact barangays." • CBNC: Construct facilities required by each barangay, support schools by providing educational supplies and materials required for operation, offer free medical support for local communities, and promote livelihood support activities that facilitate self-sufficiency. ² • THPAL: Spread organic rice cultivation methods with the help of technical experts, help elderly in the area with daily necessities, and support educational advancement through scholarships, etc. ² • Whenever we have no choice but to ask local residents to relocate their residences due to development of a mine or related facilities, we provide alternative sites and obtain their understanding in advance. At the Hishikari Mine, we asked three local households to relocate between 1983 and 1989, and at THPAL, we asked 41 households in the affected area to relocate. ³ There have been no incidents reported as concerns such as complaints from indigenous people in the vicinity of any of the mines or smelters and refineries in which we have more than 50% interest. We are also planning to implement a human rights due diligence program targeting local residents at our overseas sites.	Co-Existence and Mutual Prosperity with Local Communities P.113-114 Rights of Indigenous Peoples P.115
Business Partners and Suppliers	Sharing the Sumitomo Metal Mining Group Sustainable Procurement Policy Safety training for subcontractors • In accordance with the Sumitomo Metal Mining Group Policy on Human Rights, Sumitomo Metal Mining Group Sustainable Procurement Policy, and SMM Group's Responsible Mineral Sourcing Policy, we will conduct due diligence based on international standards (see pages 116-117). No suppliers were identified as having apparent or potential problems or issues in FY2021. In addition, there were no cases of artisanal and small-scale mining (ASM) within our area of operation with labor or other issues. There are no programs involved in this.	Employees' Occupational Health and Safety P.106-107 Human Rights in the Supply Chain P.116-117
NGOs and NPOs	• Hold regular exchanges of opinion with the international environmental NGO FoE Japan regarding their findings on topics such as the water quality of rivers around the CBNC and THPAL plants, both in the Philippines. Implement necessary improvement measures that reference the group's opinions and recommendations. (2 times/year)	Co-Existence and Mutual Prosperity with Local Communities P.113-114
Government Agencies	Regular exchanges of opinion with government agencies	Co-Existence and Mutual Prosperity with Local Communities P.113-114

1. Barangay: the smallest administrative division that makes up cities and towns in the Philippines, and denotes a village, district, or ward.
2. Part of our SDMP (Social Development and Management Program) initiative.
3. The relocation was planned in accordance with the World Bank Operational Policy on Involuntary Resettlement and was completed by December 2010 with the consent of all residents. After the relocation, we have continued to provide support for the repair and maintenance of the houses, as well as livelihood restoration support programs that encourage residents to acquire skills and know-how that will enable them to generate income in the future.

Complaints Made to the Group (FY2021)

Type of complaint	Complaints
Complaints about impact on society	0
Complaints concerning the environment (e.g. vegetation overgrowth around the edges of business sites)	8
Total	8

All complaints were dealt with in an appropriate manner.

Main Organizations in Which SMM Has Membership

Organization	Responsibilities of SMM officers and employees	Initiatives relating to public policy
Japan Business Federation (Keidanren)	Executive member; participation in the following committees: New Industry and Technology, Canada, Environment and Safety, Oceanic Resources, International Cooperation, China, South Asia, Japan-Myanmar Economic, Japan-Brazil Economic, Gender Diversity, National Resilience, the Tokyo 2020 Olympic and Paralympic Games, Energy and Resources (Planning subcommittee), Labor Legislation (Occupational Health and Safety subcommittee)	As a unified business organization with the goal of making improvements to the autonomous growth of the domestic economy and to public life, we act reliably and swiftly after gathering opinions from the business world with regards to various internal and external economic challenges.
APEC Business Advisory Council Japan	Member	As a member of the Japanese chapter of the APEC Business Advisory Council, an official private sector advisory entity for the Asia-Pacific Economic Cooperation (APEC), we support the organization's activities.
Japan Mining Industry Association	Director; participation in the following committees and others: Reserves (chairman and deputy chairman), Planning and Coordination, Energy, Overseas Development, Environmental Management, Customs Duties, Funds, Supply and Demand, Taxation, Exploration and Development, Sulfide Ore and Sulfuric Acid, the Special Committee for Depletion Allowance Measures and Safety Promotion	Submission of mining industry policy requests to relevant government agencies regarding climate change countermeasures, electricity fee issues, taxation, resource development, smelting and recycling technology, mine safety, and development of employee training. Members to be sent to government-sponsored investigative committees to present industry viewpoint.
International Council on Mining and Metals (ICMM)	Implement ICMM's Mining Principles Promote ICMM activities and participate in each of the following programme committees: Communications; Environment; Social & Economic Development; and Health & Safety	<ul style="list-style-type: none"> • Environment Initiatives for biodiversity, climate change, and water management • Health and safety Initiatives for sharing information on health and safety and the elimination of accidents • Materials stewardship Initiatives for science-based chemical substance management and supply chain management • Society and economy Initiatives to contribute to the economic development of society by the mining industry
International Copper Association, Ltd. (ICA)	One member of the Board of Directors	Brings together the global copper industry to develop and defend markets for copper and to make a positive contribution to society's sustainable development goals. <ul style="list-style-type: none"> • Develop new uses for copper • Promote demand for copper • Contribute to achieving the SDGs
Japan Copper Development Association	One director	<ul style="list-style-type: none"> • Develop uses for copper/copper products; develop technology • Provide correct information about copper (verdigris, bluish water from copper pipes, etc.)
Nickel Institute (NI)	Participate in Board, Executive Committee (EXCO), and Strategic and Planning Advisory Committee (SPAC) meetings Participate on committees for H&E PP (public policy and regulations), Science (scientific research), and MD (market development)	Provides support for sustainable growth and development in the current stainless steel market and new markets for nickel. Promotes sound science, risk management, and socio-economic benefit as the basis for public policy and regulation.
Cobalt Institute	One director Participate in Board, Executive Committee (EXCO), and Cobalt REACH Consortium working group meetings.	As a representative of the cobalt industry, we provide advice addressing all issues related to cobalt, including health, safety, and environmental issues, in a way that encourages sustainable and responsible production and use. We also work to obtain and share original information regarding sourcing, production, and use.
The Sulphuric Acid Association of Japan	One director; participation in the General Affairs Committee, Business Affairs Committee, Technical Committee and Editorial Committee	Communicating policy and information from the Manufacturing Industries Bureau of the Ministry of Economy, Trade and Industry to member companies and compiling and presenting requests from member companies. Striving to publicize and promote use of sulfuric acid as an industry organization through means such as issuing booklets on sulfuric acid, and establishing the Standard of the Sulphuric Acid Association of Japan (a quality standard for sulfuric acid).
Japan Electronics and Information Technology Industries Association (JEITA)	Participate in Electronic Components Board and Dielectric Ceramics Committee	Collection of various statistics, and participation in reviews of regulations, standards, environmental measures and other issues.
Battery Association of Japan	Associate member	Promotion of measures related to recycling, quality performance, and product safety that will be required in the future as demand for secondary batteries increases.
Battery Association for Supply Chain	Regular member One director (representative director and chairperson)	Provide advice on government policy to strengthen the global competitiveness of Japan and promote deliberation in Japan regarding conforming to international standards for each type of raw material in order to facilitate the development of healthy supply chains for batteries, battery parts, and materials.

Partnerships with Outside Organizations

SMM participates in the international organizations listed below, issues declarations of support, complies with the organizations' rules, and supports their activities. As a company in the mining and metal refining industries, we undertake initiatives for the sustainable development demanded of us.

■ International Council on Mining and Metals (ICMM) See P.112 of Integrated Report 2022

ICMM is an international organization that was established to ensure that the mining and metals industries are made safe, fair, and sustainable (<https://www.icmm.com/en-gb>). Comprises of the world's biggest mining and metals companies, as well as regional and commodity-focused organizations. SMM is a member company.

ICMM has Mining Principles as guidance for environmental, social, and governance initiatives in the mining and metals industries. The Mining Principles comprise 10 Principles, a set of performance expectations* that stipulate specific targets for action on these principles, position statements concerning certain specific issues, and an assurance and validation procedure.

* Performance expectations
<https://www.icmm.com/en-gb/our-principles>

The 10 Principles of the ICMM

- Principle 1:** Apply ethical business practices and sound systems of corporate governance and transparency to support sustainable development.
- Principle 2:** Integrate sustainable development in corporate strategy and decision-making processes.
- Principle 3:** Respect human rights and the interests, cultures, customs and values of workers and communities affected by our activities.
- Principle 4:** Implement effective risk-management strategies and systems based on sound science, and which account for stakeholder perceptions of risk.
- Principle 5:** Pursue continual improvement in physical and psychological health and safety performance with the ultimate goal of zero harm.
- Principle 6:** Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change.
- Principle 7:** Contribute to the conservation of biodiversity and integrated approaches to land-use planning.
- Principle 8:** Facilitate and support the knowledge-base and systems for responsible design, use, re-use, recycling and disposal of products containing metals and minerals.
- Principle 9:** Pursue continual improvement in social performance and contribute to the social, economic and institutional development of host countries and communities.
- Principle 10:** Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner, effectively report and independently verify progress and performance.

Position statements

ICMM has set forth the following position statements regarding important individual issues. The SMM Group is committed to complying with these initiatives.

- Climate Change
- Water Stewardship
- Tailings Governance Framework
- Indigenous Peoples and Mining
- Mining Partnerships for Development
- Transparency of Mineral Revenues
- Mercury Risk Management
- Mining and Protected Areas

■ The Extractive Industries Transparency Initiative (EITI)

We agree with and have declared our support for the aims of the Extractive Industries Transparency Initiative (EITI).*

* EITI: <https://www.eiti.org/>
EITI is a framework for multinational cooperation that enhances transparency in the flow of funds from the so-called extractive industries, those that are involved in oil, gas, and mineral resources, to the governments of resource-producing countries, to prevent corruption and conflict and thereby promote responsible resource development that leads to growth and the reduction of poverty.

1. We share a belief that the prudent use of natural resource wealth should be an important engine for sustainable economic growth that contributes to sustainable development and poverty reduction, but if not managed properly, can create negative economic and social impacts.
2. We affirm that management of natural resource wealth for the benefit of a country's citizens is in the domain of sovereign governments to be exercised in the interest of their national development.
3. We recognise that the benefits of resource extraction occur as revenue streams over many years and can be highly price dependent.
4. We recognise that a public understanding of government revenues and expenditure over time could help public debate and inform choice of appropriate and realistic options for sustainable development.
5. We underline the importance of transparency by governments and companies in the extractive industries and the need to enhance public financial management and accountability.
6. We recognise that achievement of greater transparency must be set in the context of respect for contracts and laws.
7. We recognise the enhanced environment for domestic and foreign direct investment that financial transparency may bring.
8. We believe in the principle and practice of accountability by government to all citizens for the stewardship of revenue streams and public expenditure.
9. We are committed to encouraging high standards of transparency and accountability in public life, government operations and in business.
10. We believe that a broadly consistent and workable approach to the disclosure of payments and revenues is required, which is simple to undertake and to use.
11. We believe that payments' disclosure in a given country should involve all extractive industry companies operating in that country.
12. In seeking solutions, we believe that all stakeholders have important and relevant contributions to make—including governments and their agencies, extractive industry companies, service companies, multilateral organisations, financial organisations, investors, and non-governmental organisations.

Co-Existence and Mutual Prosperity with Local Communities

Percentage of Payments to Local Suppliers and Local Employment

Name of company or business site ¹ (payment area)	Local procurement (FY2021)		Percentage of locally-hired employees ² (March 31, 2021)
	Payment to the area	Percentage ³	
Niihama District (Ehime Prefecture)	¥15.0 billion	53% ⁴	83% ⁵
Coral Bay Nickel Corporation (Philippines)	\$78 million	51%	59%
Taganito HPAL Nickel Corporation (Philippines)	\$104 million	44%	43%
Hishikari Mine (Kagoshima Prefecture)	¥1.2 billion	47%	88%
Sumiko Energy Materials Co., Ltd. (Fukushima Prefecture)	¥418 million	33%	95%
Shanghai Sumiko Electronic Paste Co., Ltd. (China)	CNY 202 million	21%	95%

- Totalled for the three core segments (Mineral Resources, Smelting & Refining, and Materials), business sites that are not only necessary for the business, but are also relatively large-scale (one domestic, one overseas site for each segment).
- Percentage of locally-hired employees: number of employees from the payment area ÷ total employees x 100.
- Percentage of payments: amount of payments to payment area ÷ amount of total procurement payments x 100.
- Sumitomo Metal Mining Co., Ltd.'s Besshi-Niihama District Division, Toyo Smelter & Refinery, Niihama Nickel Refinery, Isoura Plant and Niihama Research Laboratories.
- Sumitomo Metal Mining Co., Ltd.'s Besshi-Niihama District Division, Toyo Smelter & Refinery, Niihama Nickel Refinery, Isoura Plant, Niihama Research Laboratories and Battery Research Laboratories.

Investment in Infrastructure and Support Services

Region	Details	Amount (FY2021)
Japan	<ul style="list-style-type: none"> Donations to scholarship funds for orphans in Iwate, Miyagi, and Fukushima Prefectures, which were hit by the Great East Japan Earthquake (making donations every year since 2012) Donations to medical organizations such as the Cancer Institute and the Japan Heart Foundation Donations to sports organizations such as the Japanese Para-Sports Association Support for basic science research, environmental research, and activities for the maintenance and restoration of cultural properties through The Sumitomo Foundation Donations to Keidanren Nature Conservation Fund Support for employment of former inmates and others by donating to the National Organization of Labor Support Providers Support for victims of crime through donations to the Victim Support Center of Tokyo Expenditures for social contribution activities, including donations to the Tokyo 2020 Olympic and Paralympic Games 	¥60 million
Philippines	<ul style="list-style-type: none"> Supporting measures to prevent dengue fever in communities neighboring the plant (awareness activities, spraying insecticide, cleaning activities, etc.) Undertaking a water supply equipment installation project for communities neighboring the plant Popularizing organic rice cultivation among communities neighboring the plant with the help of technical experts <p>In the Philippines we are continuing to provide support through SDMP.*</p>	¥1,250 million

* SDMP: Social Development and Management Program, conducted by a company for the welfare of residents living in the vicinity of its operating area

Presence in the Local Economy

Number of Locally-Hired Senior Managers (General Managers and above) and Locally-Hired Employees (March 31, 2022)

Name of company (Country or region)	Senior managers		Percentage ¹	Locally-hired employees ²
	Male	Female		
Sumitomo Metal Mining Philippine Holdings Corporation (Philippines)	1	2	4%	79
Taganito HPAL Nickel Corporation (Philippines)	1	1	0.3%	696
Coral Bay Nickel Corporation (Philippines)	5	1	1%	552
Sumitomo Metal Mining Peru S.A. (Peru)	1	0	7%	15
SMM KOREA Co., Ltd. (South Korea)	1	0	25%	4
Shanghai Sumiko Electronic Paste Co., Ltd. (China)	2	0	5%	41
Taiwan Sumiko Materials Co., Ltd. (Taiwan)	0	0	0%	24
Dongguan Sumiko Electronic Paste Co., Ltd. (China)	2	1	13%	24
Sumitomo Metal Mining Oceania Pty. Ltd. (Australia)	1	1	50%	4

- Percentage: number of senior managers ÷ locally-hired employees x 100.
- Employees hired directly by overseas affiliated companies and excluding workers on loan and transferred workers.

Indirect Economic Impact

Closure Plans for Mines and Smelting Plants

Business site	Details	Amount totals up to and including FY2021	Time period
Hishikari Mine	Mine pollution control reserve	¥39.50 million	From 1984
Coral Bay Nickel Corporation	Closure and cleanup for the refinery and mineral processing plant	Total approx. 330 million pesos*	From 2012 (accumulating every year)
Taganito HPAL Nickel Corporation	Expenses required for the closure plan	Total approx. 286 million pesos	From 2016 (accumulating every year)

* Expenses according to the closure plan Coral Bay Nickel Corporation submitted to the Department of Environmental and Natural Resources.

Other

Economic Performance

Distribution of Economic Value to Stakeholders (FY2021)

Stakeholder	Amount (billions of yen)	Details
Suppliers	978.5	Payments to suppliers
Employees	68.4	Payments to employees
Shareholders/ Creditors	78.6	Payments of dividends/ interest
Government	52.3	Taxes paid
Society*	1.3	Donations

No governments have an equity stake in SMM. Other than the above, there is retained value of ¥229.7 billion. Rent for use of land is minimal and therefore included in "Payments to suppliers."

* Society: In the Philippines (CBNC, THPAL), the ¥1.3 billion expended through the Social Development and Management Program (SDMP) and other contributions in the same country is included.

Financial Assistance from the Government (FY2021)

Stakeholder	Amount (billions of yen)	Details
Government and business partners	0.3	Subsidies, grants, etc.

Projected Benefit Obligation

The SMM Group has adopted both funded and unfunded defined benefit plans and defined contribution plans for allocating retirement benefits to its employees. Its defined benefit obligations as of March 31, 2022 were ¥70.8 billion , which include funded defined benefit obligations of ¥68.2 billion, and pension assets available for allocation to those funded defined benefit obligations were ¥83.8 billion .

Income Tax by Country or Region (FY2021)

Country or region	Amount (millions of yen)
Japan	33,094
U.S.A.	9,460
Netherlands	662
Peru	16,260
Chile	5,852
China	1,598
Philippines	4,040
New Caledonia	530
Australia	574
Others	30
Total	72,100

With regard to equity-method affiliates, the above amounts include the Company's proportional burden of income tax.