





Integrated Report 2022

 **SUMITOMO METAL MINING**



At a Glance (As of July 1, 2022)

| | | |
|---|--|--|
|  <p>More than</p> <h2>430 years of history</h2> <p>The second longest history of Japan's listed companies</p> |  <p>Net Sales (consolidated)</p> <h2>¥1,259.1 billion</h2> <p>(FY2021)</p> |  <p>Profit before Tax (consolidated)</p> <h2>¥357.4 billion</h2> <p>(FY2021)</p> |
|  <p>Equity Ratio</p> <h2>63.7%</h2> <p>(FY ended March 31, 2022)</p> <p>Due to the nature of our business, we aim to maintain an equity ratio of 50% or more as a sound financial position that can withstand temporary cash outflows.</p> |  <p>Total Assets</p> <h2>¥2,300 billion</h2> <p>(FY ended March 31, 2022)</p> |  <p>Dividend Payout Ratio¹</p> <h2>35.1%</h2> <p>(FY2021)</p> |
|  <p>Employees (consolidated)</p> <h2>7,202</h2> <p>(As of March 31, 2022)</p> |  <p>Our business countries and regions²</p> <h2>15</h2> <p>P.2-3</p> |  <p>Manufacturing Bases²</p> <p>7 Mines 8 Smelters and Refineries 22 Materials Plants</p> |
|  <p>Japan's only operating gold mine</p> <p>Cumulative amount of gold produced from Hishikari Mine</p> <h2>260 tons, No.1 in Japan</h2> <p>(As of March 31, 2022)</p> |  <p>Global Class 1 nickel interest production</p> <h2>NO.5</h2> <p>Overall, calculated on interest production volume of nickel for each company, and for the SMM Group, metal production volume</p> |  <p>Nickel-based cathode materials for secondary batteries</p> <h2>Top class global share</h2> |

1. The gain on sale associated with the transfer of all equity interest in the Sierra Gorda copper mine recorded in FY2021 includes an amount equal to a reversal of the allowance for bad debt for loans and other receivables for Sierra Gorda S.C.M., which was adjusted in the opening balance of retained earnings in FY2019 as a cumulative effect (Revised IAS 28 "Investments in Associates and Joint Ventures"). For this reason, effects on FY2021 results caused by the application of these accounting procedures and manifesting in accordance with the transfer of equity are omitted from the dividend calculation. Basic earnings per share, excluding the effects of this application of accounting procedures, were ¥857.47.

2. Includes SMM Vietnam Co., Ltd. which we acquired on May 1, 2022.



Mineral Resources Business P.48-52

We are leveraging over 300 years of mine development and operational experience to advance new mine development projects and to make a shift to sustainability-focused operation at the Hishikari Mine, the largest gold mine in Japan. At the same time, we are participating in the development and operation of new superior mines to secure mineral resources.

Main Products

Gold and Silver Ore, Copper Concentrates, Copper, Gold, Molybdenum



Smelting & Refining Business P.53-57

For over 400 years since the start of our copper smelting and refining business in 1590, we have stably supplied a variety of metal materials to a wide range of industries. We engage in business on the strength of our advanced smelting and refining technology, which was the first in the world to achieve the successful recovery of nickel from low-grade nickel oxide ore using the High Pressure Acid Leach (HPAL) method on a commercial basis.

Main Products

Copper, Gold, Silver, Electrolytic Nickel, Electrolytic Cobalt, Ferronickel, Palladium, Chemical Products



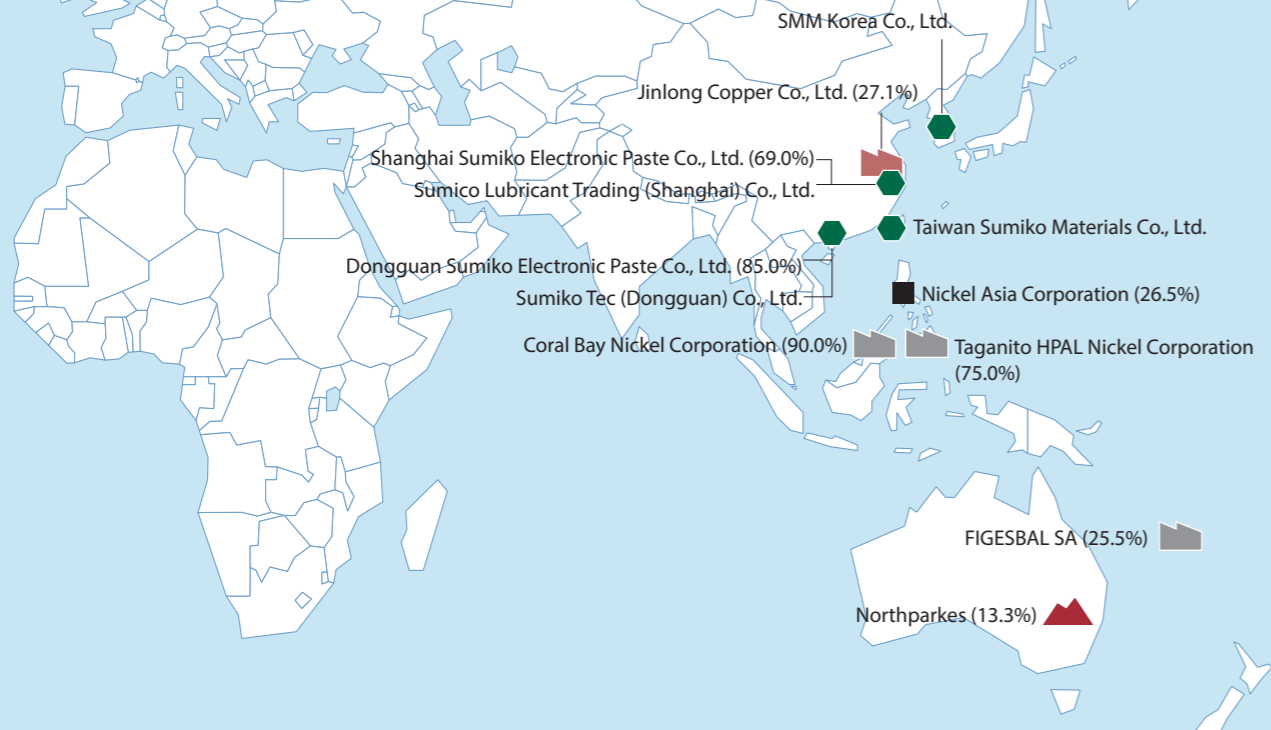
Materials Business P.58-63

We produce highly advanced materials used in wide-ranging fields including automobiles, energy, the environment, communications and information, and home appliances, and develop and produce products that contribute to carbon neutrality.

Main Products

Battery Materials, Thick Film Paste, Powder Materials, Crystal Materials, Thin Film Materials, Magnetic Materials, Package Materials, Oil Refining Catalysts, Automotive Catalysts, Autoclaved Lightweight Concrete, Lubricants

SMM Group Overview (As of July 1, 2022)



Group Companies
Consolidated Subsidiaries 53
Equity-method Affiliates 13

● Consolidated subsidiaries ■ Equity-method affiliates * Included in the boundary of the environmental performance data

Japan

Sumitomo Metal Mining Co., Ltd.*

Mineral Resources

- Sumiko Resources Exploration & Development Co., Ltd.

Smelting & Refining

- Acids Co., Ltd.
- MS Zinc Co., Ltd.
- Shisaka Smelting Co., Ltd.*
- Sumiko Logistics Co., Ltd.*
- Hyuga Smelting Co., Ltd.*
- Mitsui Sumitomo Metal Mining Brass & Copper Co., Ltd.

Materials

- SMM Precision Co., Ltd.*
- N.E. Chemcat Corporation
- Ohkuchi Electronics Co., Ltd.*
- Ohkuchi Materials Co., Ltd.*
- GRANOPT CO., LTD.*
- Sicoxs Corporation*
- Shinko Co., Ltd.*
- Sumiko Energy Materials Co., Ltd.*
- Sumiko Kunitomi Electronics Co., Ltd.*
- Sumiko Lubricant Co., Ltd.*
- Sumiko Tec Co., Ltd.*
- Sumitomo Metal Mining Siporex Co., Ltd.*
- Niihama Electronics Co., Ltd.*
- Nippon Ketjen Co., Ltd.*

Other

- Igeta Heim Co., Ltd.*
- JCO Co., Ltd.*

Asia

Sumitomo Metal Mining Co., Ltd.*

Mineral Resources

- Sumiko Technical Service Co., Ltd.
- Sumiko Techno-Research Co., Ltd.*
- Sumitomo Metal Mining Engineering Co., Ltd.*
- Japan Irradiation Service Co., Ltd.*

Smelting & Refining

- Cordillera Exploration Company Inc. (Philippines)
- Jinlong Copper Co., Ltd. (China)
- Sumitomo Metal Mining Management (Shanghai) Co., Ltd. (China)
- Sumitomo Metal Mining (Hong Kong) Co., Ltd. (China)
- Coral Bay Nickel Corporation (Philippines)*
- Nickel Asia Corporation (Philippines)
- Taganito HPAL Nickel Corporation (Philippines)*
- Sumitomo Metal Mining Philippine Holdings Corporation (Philippines)

Materials

- Dongguan Sumiko Electronic Paste Co., Ltd. (China)*
- Shanghai Sumiko Electronic Paste Co., Ltd. (China)*
- Sumiko Lubricant Trading (Shanghai) Co., Ltd. (China)
- Sumiko Tec (Dongguan) Co., Ltd. (China)
- Granopt Optics Trading (Shenzhen) Co., Ltd. (China)
- Taiwan Sumiko Materials Co., Ltd. (Taiwan)*
- SMM Korea Co., Ltd. (South Korea)
- Sumiko Tec (Thailand) Co., Ltd. (Thailand)
- SMM Vietnam Co., Ltd. (Vietnam)

North America

Sumitomo Metal Mining Co., Ltd.*

Mineral Resources

- SMMA Candelaria Inc. (U.S.A.)
- SMM Exploration Corporation (U.S.A.)
- Sumitomo Metal Mining America Inc. (U.S.A.)
- Sumitomo Metal Mining Arizona Inc. (U.S.A.)
- SMM Morenci Inc. (U.S.A.)
- SMM Gold Cote Inc. (Canada)
- Sumitomo Metal Mining Canada Ltd. (Canada)
- SMM Resources Inc. (Canada)

Other Regions

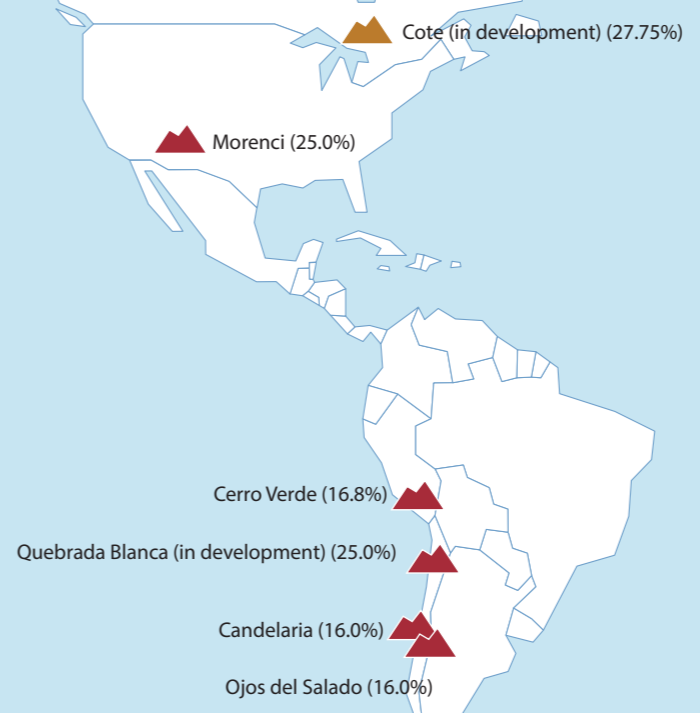
Sumitomo Metal Mining Co., Ltd.*

Mineral Resources

- Compania Contractual Minera Candelaria (Chile)
- Compania Contractual Minera Ojos del Salado (Chile)
- Sumitomo Metal Mining Chile LTDA. (Chile)
- SMMQB Holding SpA (Chile)
- SMM Quebrada Blanca SpA (Chile)
- Quebrada Blanca Holdings SpA (Chile)
- Sumitomo Metal Mining Peru S.A. (Peru)
- Sociedad Minera Cerro Verde S.A.A. (Peru)
- Sumitomo Metal Mining do Brasil LTDA. (Brazil)
- Sumitomo Metal Mining Oceania Pty. Ltd. (Australia)
- SMM Cerro Verde Netherlands B.V. (Netherlands)
- SMMCV Holding B.V. (Netherlands)
- SMM Holland B.V. (Netherlands)

Smelting & Refining

- FIGESBAL SA (New Caledonia)

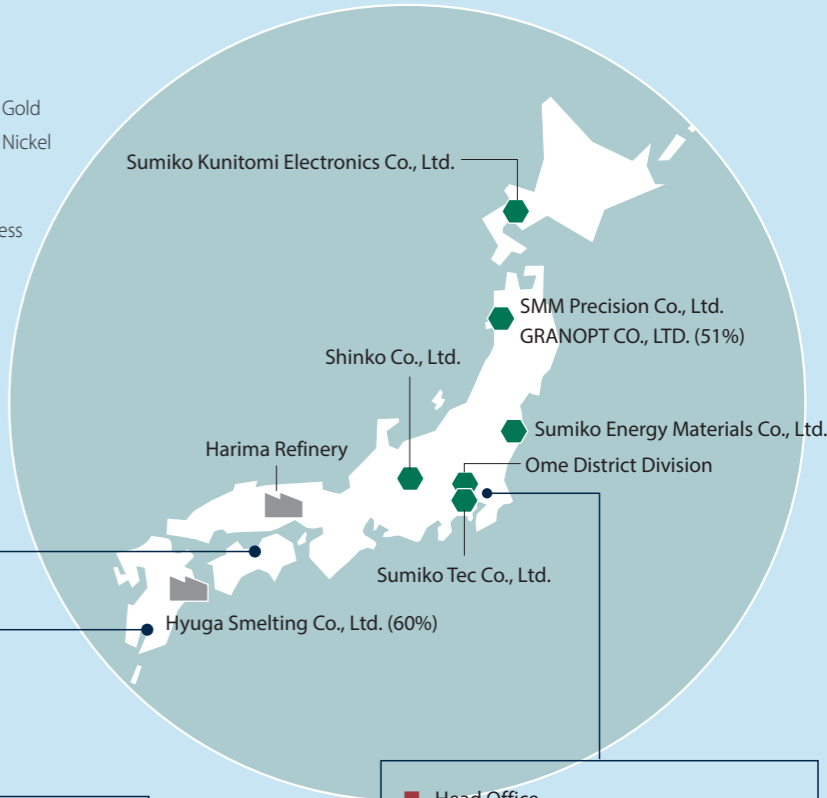


Mineral Resources Segment ▲ Copper ▲ Gold
Smelting & Refining Segment ■ Copper ■ Nickel
Materials Segment ● Major Sites of Materials Business
 ■ Other Major Site / Group Company

Figures in parentheses indicate percentage interest. Companies with no percentage written are 100% owned.

- Besshi-Niihama District Division
- Toyo Smelter & Refinery
- Niihama Nickel Refinery
- Shisaka Smelting Co., Ltd.
- Isoura Plant
- Niihama Electronics Co., Ltd.

- ▲ Hishikari Mine
- Ohkuchi Electronics Co., Ltd.
- Ohkuchi Materials Co., Ltd. (95%)



- Head Office
- Sumiko Lubricant Co., Ltd.
- N.E. Chemcat Corporation (50%)
- Nippon Ketjen Co., Ltd. (50%)
- Sumitomo Metal Mining Siporex Co., Ltd.
- Sicoxs Corporation

The location of the head office is shown for each group company in Japan.

Contents

- At a Glance
- SMM Group Overview

Vision for the SMM Group

- 6 The Sumitomo Business Spirit and the SMM Group Corporate Philosophy
- 7 Long-Term Vision
- 8 Vision for 2030
- 10 Vision for 2030—Formulation Approach
- 11 Efforts to Help Prevent the Spread of COVID-19
- 12 Message from the President

The SMM Group's Creation of Value

- 18 Our History of Value Creation
- 22 The Global Non-Ferrous Metal Industry and the SMM Group
- 26 Value Creation Process
- 28 Value Creation Process (Business Model) Explanation
- 30 The SMM Group's Capitals: Seven Competitive Strengths Cultivated by the Sumitomo Business Spirit
- 32 Risks and Opportunities
- 34 Financial and Non-Financial Highlights

Growth Strategy for Value Creation

- 38 Review of Past 3-Year Business Plans
- 40 Summary of the 2018 3-Year Business Plan, FY2021 Results, 2022 Plan
- 42 Overview of the 2021 3-Year Business Plan
- 46 Financial Strategy
- 48 Mineral Resources Business
- 53 Smelting & Refining Business
- 58 Materials Business
- 64 Research & Development
- 68 **Special Feature** Digital Transformation (DX) at the SMM Group

For Co-creating Value with Society

- 72 Sustainability at the SMM Group Management Approach
- 74 Vision for 2030, Material Issues, KPIs (Indicators and Goals)
- 76 Vision for 2030: (Results and Achievement Criteria and Action Plan up to FY2030)
- 90 1 Effective Use of Non-Ferrous Metal Resources
- 91 2 Climate Change
- 92 Action for TCFD
- 96 3 Significant Environmental Accidents 4 Biodiversity
- 102 **Special Feature** Initiatives for Business and Human Rights
- 106 5 Employees' Occupational Health and Safety
- 108 6 Diverse Human Resources
- 7 Development and Participation of Human Resources
- 110 8 Engagement with Stakeholders
- 113 9 Co-Existence and Mutual Prosperity with Local Communities
- 115 10 Rights of Indigenous Peoples
- 116 11 Human Rights in the Supply Chain

Supporting Value Creation

- 118 Corporate Governance
- 130 Round-table discussion with outside directors
New 3-Year Business Plan—The roles of the Board of Directors in achieving Renewed Challenge for Change
- 132 Tax Governance
- 134 Compliance
- 136 Risk Management
- 138 Quality Assurance
- 140 Directors and Audit & Supervisory Board Members

Data Section

- 142 Independent Assurance Report
- 144 Glossary
- 148 Eleven-Year Financial Summary
- 150 Consolidated Statements of Financial Position/
Consolidated Statements of Profit or Loss/
Consolidated Statements of Comprehensive Income
- 154 Consolidated Statements of Changes in Equity
- 157 Consolidated Statements of Cash Flows
- 159 Corporate Data and Investor Information
- 161 Investor FAQ

Attestation of Validity

ESG Data Book 2022

Supplementary

- 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

Disclaimer
The forward-looking statements in this integrated report, including business result forecasts, are based on information available to the Company and on certain assumptions deemed to be reasonable as of the date of release of this report. Actual business results may differ substantially due to a number of factors.

*This document is the English version of the Japanese original.

Integrated Report 2022 Concepts

Focused explanation of the contents that are of interest to stakeholders, such as Vision for 2030 initiatives to realize our long-term vision and our attempt to respond to and transform with the changes in the social environment through the newly formulated 2021 3-Year Business Plan.

The Integrated Report 2022 is composed of six chapters: "Vision for the SMM Group," "SMM Group's Creation of Value," "Growth Strategy for Value Creation," "Co-Creating Value with Society," "Supporting Value Creation," and "Data Section." We have strived to make the content more comprehensive yet easy-to-read for our stakeholders, and we have enhanced the information to take into account the perspectives of investment decisions regarding our stock.

We have included an At a Glance page at the beginning of this report so that those reading our Integrated Report for the first time can quickly get an overview of our Group.

This year's special feature, continuing from last year, is Digital Transformation (DX), explaining, with specific examples of DX initiatives, how the Group has established a system to actively promote DX Group-wide, and how the DX Transformation Department was newly established to promote DX development as the executive organization.

In addition, the material issues of Vision for 2030, which are milestones for the realization of our long-term vision, are positioned as the Materialities of our Group, and the progress made during the past year is explained for each of the 11 material issues, including KPIs.

We are publishing a Data Book 2022 again this year. We reconsidered sustainability-related data to be published, and this Data Book will have the detailed data. In addition to narrowing the scope of the data included in the Integrated Report, we have sought to further enhance readability while maintaining the quality and quantity of information we have disclosed to date.

Description and business model explanation based on integrated thinking

In the Value Creation Process section, we have quantified the details of each process to clarify the characteristics of the Group's value creation process. This year, we have also added an illustration of our business model on the explanatory page to help readers deepen their understanding of our Group's unique value creation mechanism.

Throughout, the report expresses the Group's high goals and commitment to value creation and its long-term vision of becoming a world leader in the non-ferrous metals industry. Along with our business strategy, the report also shows SMM's commitment to sustainability, focusing on initiatives for our Vision for 2030.

Editorial Policy

In recent years, interest in, and demand for, corporate ESG initiatives has been growing among various stakeholders, and companies are actively disclosing information to fulfill their responsibility to explain about sustainability, including ESG initiatives.

Since 2016, we have published these integrated reports to serve as a tool for dialogue with stakeholders inside and outside the Group and to help stakeholders attain a deeper understanding of the SMM Group's initiatives toward sustainable growth and maximization of corporate value.

The Sumitomo Metal Mining Integrated Report 2022 is the seventh edition of our Report, and in it we have tried to make it easy to understand and comprehensive, and have tried to explain the SMM Group's value creation while further integrating sustainability and our business operations. The Report has also been edited with the aim of providing an understanding of the 2021 3-Year Business Plan, the first year of which is FY2022.

In this report, CBNC and THPAL are acronyms for Coral Bay Nickel Corporation and Taganito HPAL Nickel Corporation, respectively.

Also, unless otherwise stated, the term "ton" refers to a metric ton.

Referenced Guidelines and Assurance

In compiling this Report, we have referred to the International Integrated Reporting Framework¹ and the Guidance for Collaborative Value Creation² to provide an easy-to-understand explanation of the capital and business model, used in the value creation process, and the value provided to stakeholders. For information on sustainability, we have complied with the Core option of the Global Reporting Initiative's³ Sustainability Reporting Standards. Performance data have received independent assurance.

1. An international corporate reporting framework from the Value Reporting Foundation that tells a company's short-, medium-, and long-term value creation story.
2. Guidance compiled by the Ministry of Economy, Trade and Industry (METI) to help companies and investors deepen mutual understanding through information disclosure and dialogue, and to encourage action toward value co-creation.
3. Global Reporting Initiative (GRI): An organization established with the purpose of creating and promoting international guidelines for sustainability reports. The GRI Content Index is on our website: <https://www.smm.co.jp/en/>

Scope of the Report

- Sumitomo Metal Mining Co., Ltd. (SMM)
- The Sumitomo Metal Mining Group (SMM and consolidated subsidiaries)
- Economic Topics SMM, consolidated subsidiaries and equity-method affiliates
- Environmental Topics SMM, consolidated subsidiaries and equity-method affiliates (27 companies)
- Social Topics SMM and consolidated subsidiaries

Publication Date

November 2022 Next scheduled publication: November 2023 (Previous publication: November 2021)

Period Covered

(Some activities before or after the following periods have also been included)
Japan: April 1, 2021–March 31, 2022
Overseas: January 1, 2021–December 31, 2021

Referenced Guidelines

GRI's Sustainability Reporting Standards
VRF's International Integrated Reporting Framework

Japanese Ministry of the Environment's Environmental Reporting Guidelines (Fiscal Year 2018 Version)
Ministry of Economy, Trade and Industry's Guidance for Collaborative Value Creation



Inquiries

Public Relations & Investor Relations Dept., Sumitomo Metal Mining Co., Ltd.
11-3, Shimbashi 5-chome, Minato-ku, Tokyo 105-8716, Japan
Tel: +81-3-3436-7705 Fax: +81-3-3434-2215