

Value Creation Initiatives

In March 2025, the Group revised the material issues and Vision for 2030 formulated in March 2020 to address changes in global challenges and the increasingly advanced and complex demands placed on companies. By earnestly addressing these material issues and fulfilling our social responsibilities, we will contribute to the realization of a sustainable future.

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Advancing growth strategies through Human Capital Management based on the Corporate Management Philosophy

Mihoko Yano

Executive Officer, General Manager of the Human Resources Department

Developing talent to contribute to our businesses

SMM Group positions Human Capital Management as the foundation for all six materialities. Mine development and smelting and refining, which are our core business, stably supply resources essential to human progress. To continuously contribute to construction of a sustainable society and improve corporate value in the future, including achieving carbon neutrality, we see human resources as capital and consider maximizing their value as a cornerstone.

Our Mineral Resources Business expands considerably long-term projects ranging from exploration to mine development, operation, and mine closure. Since the opening of Besshi Copper Mine, making use of our rich experience at Hishikari Mine in Japan and overseas mines, we have accumulated mine development know-how for over 300 years. We systematically develop personnel who can handle processes of exploration, mine development, and operation through utilizing the Hishikari Mine as a base for skill development of engineers and dispatching them to overseas mines. This has arisen from the Company's

long-term investment in human resources and our achievement of sustainable growth. In the Smelting & Refining Business, significant environmental impact throughout its history has been a major issue, and we work to strengthen our workforce responsible for developing innovative smelting and refining technology to reduce environmental burdens. Moreover, in the Materials Business, it is essential to secure and nurture diverse talent capable of developing and producing products that contribute to a low-carbon society.

In all our businesses—mineral resources, smelting & refining, and materials—reliably securing and developing human resources is a must. In particular, aging population and a declining birthrate are progressing within Japan. In the midst of this situation, there is a growing demand for a corporate culture that breaks away from conventionally homogeneous organizations. We enable wide-ranging types of personnel to work together in an open and vibrant organizational climate, take on challenges, and give rise to innovation.

Enhancing corporate value in an organization where diverse talents thrive

Looking ahead to 2030, we aim to be a company that attracts a diverse workforce and allows them to grow and thrive. To achieve this, we promote the construction of a sustainable foundation for human resources and organizations as well as personnel development directly connected to our business strategy. Amid the acceleration of changes in the business environment, to realize a long-term vision for becoming the world leader in the non-ferrous metals industry, we set KPIs for Human Capital Management and quantitatively manage advancement of corporate culture and organizational and human resource functions. Setting each KPI as a measurable numerical target, we strive for continuous improvement via the PDCA cycle. In particular, the newly introduced “engagement score” quantifies mutual understanding and trust between employees and the Company. With a focus on the improvement and maintenance of such value, we will aim at sustainable improvement of corporate value.

Material Issues | Human Capital Management

Overall Picture of Human Capital Management

To achieve a long-term vision for becoming the world leader in the non-ferrous metals industry, we have set “a company that attracts a diverse workforce and allows them to grow and thrive” as Vision for 2030 related to human capital.

Through implementation of Human Capital Management toward this goal, we will realize a corporation where employees will be able to “accumulate skills and capabilities and continue growing through mid- to long-term employment” and “form their careers autonomously with high engagement.” Moreover, we will realize a corporation whose businesses and organizations will be able to “secure a stable supply of talent essential for sustainable business growth” and “leverage wide-ranging talent’s collaborative creation to create new value.”

Under the current 3-Year Plan 27, when implementing Human Capital Management, we will address human resources materialities identified across four domains—“corporate culture,” “human resources/organizational structure,” “employees,” and “human resources functions”—to build a sustainable foundation for human resources and organizations, thereby contributing to realization of our business strategy.



Material Issues | Human Capital Management

Corporate Culture

Corporate philosophy penetration

As human resources materialities within the "corporate culture" domain, we recognize that diversification of employee attributes and values may lead to concerns about declining cohesion and employee engagement. We will move along with efforts to nurture a corporate culture in which a wide variety of employees take pride in and feel attached to our Group, enabling them to work with high engagement open and vibrant organizational climate.

We have so far conducted training programs for many employees, including visits to Kyoto, which is the birthplace of the Company, and climbing at the former Besshi Copper Mine, to help them understand and absorb Sumitomo's history, business spirit, and corporate philosophy.

In FY2024, for the purpose of sublimating the business



A scene of training during the SMM Management Philosophy Dissemination Program

spirit and corporate philosophy as personal values and using them to daily decision making and services, we added the "SMM Management Philosophy Dissemination Program" to training for newly appointed personnel classified as general managers and site managers. In FY2025, to engage in "fostering a unifying corporate culture based on the SMM Group Corporate Philosophy," one of the human resources materialities in the 3-Year Business Plan 2027, we implement this through training for secondary-year managerial track employees, secondary career development training, and training for personnel classified as general managers and site managers. This program implements interactive dialogue through use of a "learning mat®" summarizing the Company's business evolution and social context from our founding to the modern era. It aims to help participants to deeply interpret and understand the corporate philosophy and business spirit underlying the past business transitions and various decision-making processes, thereby fostering behavioral changes among leaders and employees who embody our aims.

Enhancement of employee engagement

KPI and results

Engagement score
(Our Company + domestic affiliated companies subject to survey)

FY2030 targets	FY2024 results
55 Score (deviation value)	47.7 Score (deviation value)

We have implemented employee awareness surveys until FY2023. To foster a unifying corporate culture, we adopted an engagement survey starting in FY2024. This survey quantitatively measures employee engagement levels while clarifying the

organization's strengths and issues. We define high engagement as "a state in which mutual understanding exists between the Company/organization and its employees, the Company/organization cherishes its employees, and employees dedicate themselves to the Company/organization's development and revitalization." In order to achieve this state, we are moving along with necessary initiatives.

The 2024 survey engagement scores (standard deviations assuming the average of survey participating companies (approx. 10,000) at "50") were "47.7" for the Group (nine companies comprising our Company + domestic affiliated companies subject to the survey) (response rate: 98.2%) and "49.9" for SMM non-consolidated (response rate: 96.3%). The survey revealed that while relationships with direct supervisors have strength, issues exist in outward orientation and a feeling of personal growth. It also showed significant variations in scores by internal organization.

Based on these results, to continuously improve the Group's overall scores, we will advance two initiatives in parallel: "efforts to tackle company-wide common issues and increase absolute score values" and "efforts within each organization to boost baseline scores."

As a KPI for our Vision for 2030, we have set the goal of raising the Group's score to 55 by FY2030. Through survey results, we will come to understand what employees expect and are satisfied with, as well as what is lacking. We will enhance organizational performance by advancing approaches that improve engagement.

Enhancing Safety Culture

As a manufacturing company, safety is the top priority and underpins our Group's business foundation. We will advance safety initiatives with labor and management united toward our goal of zero serious accidents.

Material Issues | Human Capital Management

Co-creating DE&I

KPI and results

Percentage and number of female managers

FY2030 targets	FY2024 results
Consolidated: 18%; SMM: 7% (Total: 50 people)	Consolidated: 11.5%; SMM: 3.3% (Total: 28 people)

Percentage of male employees who took parental leave (SMM)

FY2030 targets	FY2024 results
100%	100%

To foster a corporate culture in which various types of employees take pride in and have attachment to our Group with high engagement work attitudes, it is essential that a wide variety of members mutually recognize and trust one another, leverage their strengths, and engage in creative collaboration through equitable opportunities (Diversity, Equity & Inclusion (DEI)). To embed and implement DE&I as a management strategy, it is crucial for top management to clearly convey its purpose and significance. Personnel in managerial positions must then communicate the intent of DE&I to the workplaces using their own words and execute concrete measures. And when all employees understand the intent of DE&I and actively participate in such measures, each individual's attitude and action will change, which leads to a transformed corporate culture. Based on this idea, in 2024, we issued the "Declaration of the Sumitomo Metal Mining Group on DE&I." Through this, its purpose and significance as a message from top management was

announced. In April 2025, with the goal of having all employees engage in DE&I and advancing collaborative company-wide creation, the "DE&I Collaborative Creation Section" has been established within the Human Resources Department.

With our collaborative creation for DE&I, we undertake various efforts, such as gender balance (women's active engagement), promotion of a vigorously active portion of foreign employees, building of an environment in which sexual minorities (LGBTQ+) can work comfortably, dissemination of understanding of the same, promotion of employment for people with disabilities and support for their retention, and provision of work-life balance support tailored to different life stages. For promotion of gender balance, we commenced concrete initiatives in 2012 and have steadily expanded opportunities for women to play vigorously active parts, including appointments to management positions, as well as assignments in production facilities and to overseas

locations. In our Vision for 2030, we have set targets for the rate and number of female managers (consolidated: 18%, SMM: 7% (50 individuals)) and further aim for a 30% rate of female board members. To achieve these goals, we have instituted targets for the ratios of women in regular and mid-career hire recruitment, dispatched female employees to outside training for the development of next generation of leaders, and convened "Roundtable Discussions by Officers and Female Career-Track Employees."

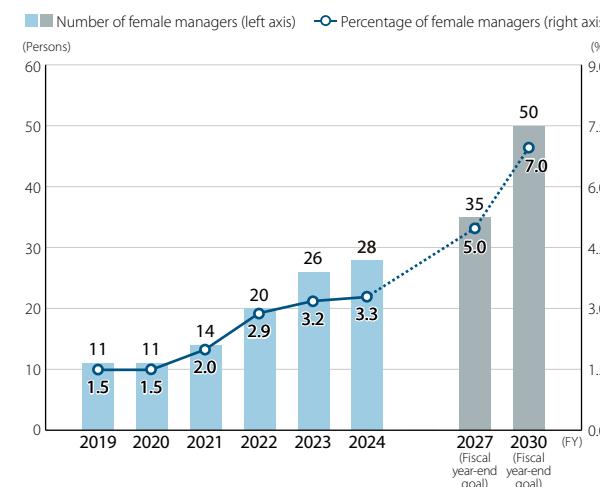
Furthermore, male participation in childcare is vital for women's career continuity and advancement. We have fostered a working environment that allows men to easily take childcare leave through system briefings, individual interviews, and the like. As a result, the male childcare leave uptake rate for FY2023 and FY2024 reached 100% for two consecutive years (including paid leave for childcare purposes granted in accordance with Article 24 of the Act on Childcare Leave and Caregiver Leave). Going forward, we will consider adoption of individual development plans for female managerial positions and a mentoring system.

Furthermore, we aim to realize DE&I across the entire non-ferrous metals industry as well as DE&I collaborative creation within our Company. Therefore, we have been co-hosting the "Non-Ferrous DE&I Forum" since FY2023, together with various non-ferrous companies and the Japan Mining Industry Association. We have been holding lectures by external experts and talk sessions featuring employees from various companies, and we will continue to do so in the future.

Human Resources and Organizational Structure

Constructing a systematic successor development framework

As human resources materialities within the "human resources



Material Issues | Human Capital Management

and organizational structure" domain, we have identified business continuity risks stemming from imbalanced personnel composition and difficulties in hiring resulting from the effects of demographic trends. This necessitates establishing a system capable of consistently and stably supplying personnel required to realize our business strategy.

SMM believes in the importance of expanding our human resources pool for next generation management. Toward that end, we implement selection-based programs (Middle Management Programs, training to develop the next generation of executive managers, Officers' Coaching School, etc.) for specific target groups, and we are implementing systematic training. Under the Middle Management Programs, we select the human resources who can be expected to lead organizations in the future, with members of our management team serving as lecturers on sustainability issues and ESG themes toward improving our corporate value and thereby raising the level of mid-level managers. As part of training to develop next

generation executive managers, we select the leaders among our human resources who will, in the near future, lead the path forward for our Company. We implement a practical program for those thus selected aimed at fostering and motivation, facilitating the acquisition of the necessary management knowledge, and training them in the thinking skills that will be required of them as executive managers. At the Officers' Coaching Schools, executive officers serve as principals, decide the important themes to be covered at each school, which is composed of early- and mid-career employees, and work to learn together and put their studies into practice at their workplaces. We also actively dispatch personnel to external programs and, through training and seminars with next-generation management resources outside the company, work to equip employees with high perspectives not obtainable within our Company.

Furthermore, in July 2023, we revised our personnel system for managerial track employees to a job grading system.

Considering the medium- to long-term impact of an imbalanced

staff composition, it is critical to develop talent capable of assuming the roles and responsibilities necessary to realize our business strategy in a planned manner. We will establish a framework to systematically develop successor candidates for required roles and responsibilities in the future.

Becoming a company chosen by wide-ranging personnel

We believe that people are the key elements to realize our business strategy. Based on this idea, to become a corporation chosen by the diverse talent required to execute our strategy, we are expanding our branding measures and recruitment channels and actively pursuing recruitment activities.

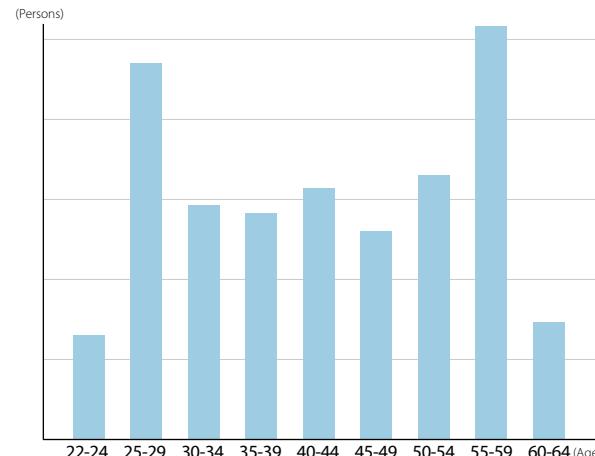
Our alumni recruitment program adopted in 2024 establishes a framework to support activities for retired employees and candidates who declined informal job offers to wish to rejoin Sumitomo Metal Mining. This program aims to recruit talent who leverage both affinity with the Company and skills externally acquired as strengths.

Regarding our regular new graduate recruitment, we are cultivating corporate awareness and understanding among a wide variety of targets through efforts such as expanding technical internships, participating in recruitment events for international students, and hosting the "Women Engineers Exchange Meeting." This latter is an event facilitating interaction between female employees who play vigorously active parts across our departments and students. Moreover, we continuously implement support for science students via scholarship programs with the aim of securing diverse personnel necessary for realizing our business strategy.

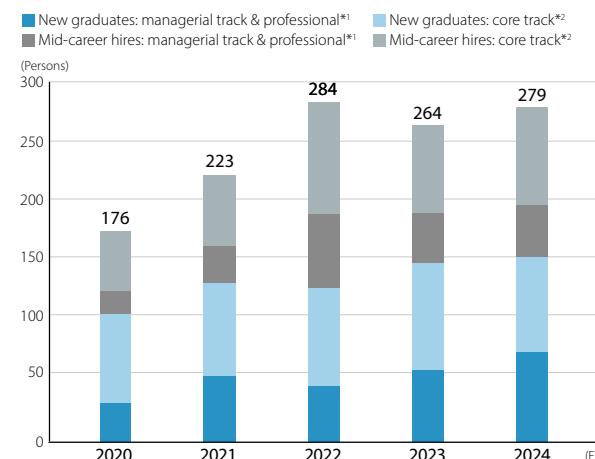
*1 Managerial track & professional: An occupational category in which personnel are expected to perform core duties and responsibilities and take on management of the company in the future.

*2 Core track: An occupational category in which personnel are expected to continuously use their accumulated knowledge, experience, and know-how in a specific job or region.

Staffing structure for managerial track employees



New employee hiring



Material Issues | Human Capital Management

Employees

Creation of an environment where employees can continue to work with peace of mind: Promotion of health and productivity management

KPI and results

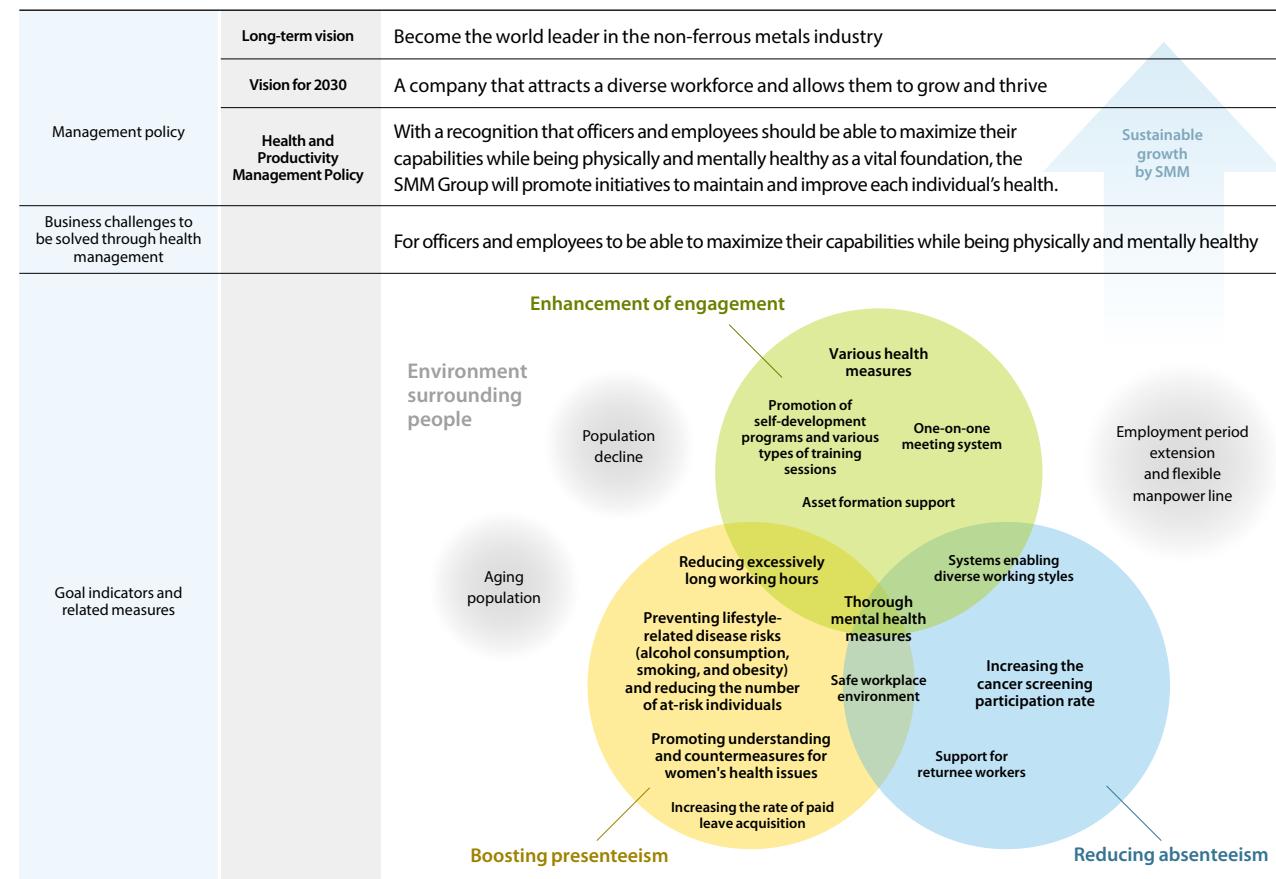
Survey on health and productivity management (SMM)

FY2030 targets	FY2024 results
Deviation value: 62	Deviation value: 57.8

As human resources materialities within the “employees” domain, in light of intensifying competition in the talent market and diversified employees’ career value, it is vital for the Company to be a place where employees can work with peace of mind over the medium- to long-term and continue to grow.

From an early stage, our Group has made securing the safety and health of officers and employees a priority from the standpoint of occupational health and safety. In 2022, to begin in earnest to ensure that all employees working for our Group can perform with greater health and motivation, we established the Sumitomo Metal Mining Group Health and Productivity Management Policy, and we have launched initiatives to maintain and improve each individual’s health. Furthermore, we formulated the Employee Health Promotion Roadmap, which specifies medium- to long-term initiatives and targets, and a one-year Health and Productivity Management Plan. Based on these, we implement effective measures to maintain and enhance physical and mental health. In FY2025, Health & Productivity Management Promotion Sect. was established within the

Health Management Strategy Map



Human Resources Department, which is the central coordinating body for implementing companywide health management. This office formulated the Health Management Roadmap and FY2025 Promotion Plan, which integrated the Employee Health Promotion Roadmap and the Health and Productivity Management Plan. It also created and announced the Health Management Strategy

Map, which schematized management challenges and health management initiatives into series of processes.

The health management operation is led by the Human Resources Department and the Safety & Environment Control Department under the direction of the President as highest responsible party and the executive officer in charge of the

Material Issues | Human Capital Management

Human Resources Department as an executive officer in charge of health and productivity management through coordination with each business site, labor union, and health insurance society. Results of each fiscal year's initiatives and the initiatives for the following fiscal year are reported to and approved by the Board of Directors before implementation. Our specific measures include the provision of encouraging employees at high risk of lifestyle-related diseases and employees at high risk of diabetic nephropathy to undergo checkups, an online smoking cessation program, mental health training, efforts to reduce excessive drinking habits, efforts to reduce obesity (including for pre-obese individuals), walking events using a health management support system (via smartphone apps), awareness activities for women's health issues, and more. Through such measures, we will provide employees with tools for health that allow them to work with peace of mind over the medium-to-long term.

Promotion of career autonomy

KPI and results	
Rate of utilization of self-development programs (SMM)	
FY2030 targets	FY2024 results
60%	25.8%

In order to realize human resources materialities "creating an environment where employees can continue to grow with peace of mind" in the "employees" domain, it is vital to establish an environment that allows employees to work with peace of mind and to provide opportunities for autonomous growth, rooted in the premise of mid- to long-term personnel development. Based on this concept, we are committed to promoting the autonomous growth and career development of each employee.

We consider self-development by individual employees and practical on-the-job training (OJT) that is carried out in everyday work, along with appropriate assignment of personnel resources with an intention of development, to be the foundation for employees' growth. To actively support employee learning, we provide various programs such as online video-based learning, correspondence courses, foreign language courses, corporate training programs, and university/graduate school placements, the establishment of which allows employees to engage in self-directed learning. Regarding the KPI for Vision for 2030, we have set the rate of utilization of self-development programs at 60%.

Furthermore, in order to enable employees to independently shape their careers and continue working, beginning from employees' second year after joining the Company, we conduct career design training at the ages of 35, 43, 50, and 58. We also create opportunities for employees to clarify their future career goals and action plans. In addition, as support for autonomous career development, the Company offers support measures and systems matched to various changes in life stages, such as joining the Company, marriage, childbirth, childcare, nursing care, and reaching retirement age. We also provide consultation and opportunities for information provision through training.

In 2023, alongside revisions to the personnel system for managerial track employees, we established the career challenge program (in our internal job posting system). Autonomous efforts utilizing this system continue.

Human Resources Functions

Build an effective and efficient human resources infrastructure

Looking at human resource materialities in the "human resources functions" domain, we believe that to realize our human

resources strategy, it is necessary to enhance the effectiveness of existing mechanisms such as human resource systems and strengthen the foundational elements of such systems.

Regarding these systems, we provide each employee with compensation suitable for the duties and responsibilities in question, and we maximize individual potential. Thereby, we build a corporate culture that enables the continuous taking on of challenges, change, and growth for each employee. For such purpose, we revised the personnel system for managerial track employees and introduced a job grade system in July 2023. Following this revision, so as to achieve the objectives of the system reform, we have internally announced the names of higher-level positions and posts, as well as their job descriptions. Through this, we aim to clarify duties and responsibilities, allowing all employees to independently shape their careers based on their duties and responsibilities, thereby creating a corporate culture that allows employees to continuously learn and grow.

Going forward, to realize our human resource strategy, we will continuously refine our human resource systems. We will also link the "systematic successor development framework" with job descriptions, thereby contributing to the building of a sustainable human resources and organizational structure.

Moreover, upon implementing human resources strategies, it is vital that the supporting human resources infrastructure be both effective and efficient. Therefore, we have begun a review for reconstruction of our human resources system infrastructure. In addition to addressing declining operational efficiency due to system obsolescence, we are examining the nature of our human resources system infrastructure so as to achieve DX promotion in this domain.

Occupational Safety and Health

Occupational Safety

KPI & Results

Number of Serious accidents
(resulting in 50 days or more of absence from work)
(Workplaces covered by safety statistics (including contractors))

2030 Target	2024 results
0 cases	3 cases

Occupational Safety Policy

Toward the Elimination of Serious Accidents

1. Upgrading Equipment to Make it Inherently Safe
2. Enhancement of Safety Management Capabilities
3. Developing Employees Who Can Take Safety Actions

Outcomes of 2024 Initiatives

In 2024, the number of occupational accidents among SMM Group in Japan employees exceeded our target, with a total of 22 accidents, including 3 serious accidents (resulting in 50 days or more of absence from work). Of all accidents, 9 resulted in absence from work, and among these, 7 involved employees with relatively little work experience. The number of occupational accidents at domestic partner companies also exceeded the target, with 7 cases reported. On the other hand, our overseas business sites achieved zero occupational accidents, meeting the target for total occupational accidents.

Background factors for occupational accidents include, "Delays in safety enhancements for high-risk equipment, such as upgrading to inherently safe designs", "Failure to address hazardous tasks due to insufficient supervisor awareness", and "Human errors resulting from carelessness or casual lapses in adhering to basic safety rules and procedures".

In 2024, we reinforced emergency safety measures and promoted permanent improvements, including investment to upgrade automated equipment with the potential to cause serious accidents to an inherently safe design. We also carried out a follow-up session for the safety-manager appointment training those supervisors received in 2023, aimed at strengthening their on-site management ability. Additionally, we held immersive VR training to further raise employees' hazard awareness. Further, through safety patrols and other measures, we reinforced procedures, provided education, and instructed staff to carry out actions that ensure rule compliance and overall safety at each workplace.

2025 Action Plan (Priority Policy)

1. Progress in Equipment Improvements (Inherently Safe Design and Collaborative Equipment) and Enhancement of Workplace Environments
 - 1) Address outstanding items from the comprehensive inspection of automated machinery and promote inherently safe equipment design
- 2) Implement safety measures to prevent accidents involving heavy machinery
- 3) Mitigate and eliminate risks through the introduction of collaborative equipment
- 4) Transition to age-friendly workplaces (including 3S)
2. Enhancement of Safety Management Capabilities (Systems, Skills, Equipment)
 - 1) Improve the capabilities of supervisors and health and safety staff

- 2) Prevention of similar accidents based on the "Three Actuals" principle, such as on-site work observation and practical risk assessment (RA)
- 3) Utilization of management (supervision) support devices
3. Developing Employees Who Can Take Safety Actions
 - 1) Effective utilization of hazard simulation training
 - 2) Elimination of unsafe behavior through the rollout of Anzen Dojo training content
 - 3) Maintenance and improvement of safety-related physical fitness

Occupational Safety and Health

Occupational Health

KPI & Results

Number of workplaces with health risks
(Workplaces covered by safety statistics (Japan only))

2030 Target	2024 results
0 workplaces	2 workplaces

Occupational Health Policy

Ensuring a comfortable workplace environment through improvement of the work environment and measures for disease prevention.

Outcomes of 2024 Initiatives

In 2024, we achieved zero Control Class 3 workplaces and zero occupational diseases, and met our targets for Control Class 2 workplaces, reducing the number compared to 2023.

In 2024, we improved equipment targeting zero Control Class 3 workplaces and made planned improvements to work environments aimed at achieving zero Control Class 2 workplaces. The health and safety managers from business divisions and the members of the Safety & Environment Control Department implemented patrols, with a focus on the Besshi District, where these workplaces are concentrated. They provided guidance and follow-up on improvements and ongoing management of the workplace environment. We will

continue to enhance facilities and strengthen management, aiming ultimately to reduce the number of both Control Class 3 and 2 workplaces to zero and to create comfortable workplaces free from occupational disease risks.

In May 2022, a partial amendment to the Industrial Safety and Health Act significantly shifted chemical substance management from case-by-case regulation to autonomous management, and we have taken the necessary response measures accordingly.

2025 Occupational Health Plan

In 2025, we will strengthen collaboration with the Safety & Environmental Control Center in the Besshi District, where worksites needing improvement are concentrated, and with health and safety managers in business divisions. Through site patrols and the shared use of improvement technologies, we will strengthen the improvement, upkeep, and management of work environments, ultimately creating more comfortable workplaces.

1. Implementation and Maintenance of Planned Work Environment Improvements
 - 1) Check progress of improvement investment plans
 - 2) Enhance skill of workplace personnel
 - 3) Strengthen management and guidance through interdivision collaboration
 - 4) Reduce worker noise exposure time
2. Monitor Response to New Chemical Substance Regulations and Ensure Regulatory Compliance by Applying Risk Assessment Measures
 - 1) Reconfirm self-checklists and have divisions and the Safety & Environment Control Department monitor the content of checks at on-site
 - 2) Improve risk assessment methods

Risk Assessments

The SMM Group proactively uses risk assessments (investigation of hazard or harmfulness) to evaluate hazards and take appropriate countermeasures against sources of risk that may cause accidents or health hazards due to chemical substances, operations, or a combination of both. We strive to improve the level of health and safety by reporting the status of risk assessments and work environment improvements to the Occupational Health and Safety Committees, evaluating them, and ensuring awareness among employees.

Occupational Safety and Health

Education in Hands-on Training Facilities

Since 2010, the SMM Group has been operating a hands-on training facility (the Oji-kan Facility) in Niihama City, Ehime Prefecture, which consists of a Hazard Simulation Zone and an Equipment Skills Training Zone. The purpose of the Hazard Simulation Zone is to increase sensitivity to occupational safety and occupational health through simulated experiences of dangers that may be present in daily work, while the purpose of the Equipment Skills Training Zone is to develop operators with strong skills in equipment and devices through hands-on experience with actual on-site equipment, cut models, etc. In both zones, in addition to the curator and full-time instructors, site managers and supervisors, and veteran employees provide training as appointed instructors. The Oji-kan Facility staffs have been traveling to workplaces since 2013 to conduct on-site hazard simulation training, and we are working to expand the number of participants. In addition, each business site uses the Oji-kan Facility based on a risk assessment of its own workplace to conduct safety education through its own unique program.

Also, since September 2023, Coral Bay Nickel Corporation (CBNC) in the Philippines has been offering hazard experience training at the Safety and Skills Training Center (SSTC), modeled after the Oji-kan. By the end of 2024, a total of 590 participants, mainly Filipino employees and partner company staffs, have completed the training.



A Hazard Simulation Zone in the Oji-kan Facility

Education and Training Related to Occupational Health and Safety

Legally mandated education

We conduct education at the time hiring as well as special training and training when starting hazardous or potentially harmful work.

Education beyond legal requirements

In addition to legally mandated training, the following trainings are provided.

- Education to foster qualified personnel
- Manager training (training for newly appointed site managers, Supervisor Exchange Meeting, etc.)
- Hazard simulations, Anzen Dojo, small group activities
- JCO Study Center training, risk assessment education provided by external lecturers



Occupational Safety and Health Training

Material Issues | Stable Supply of Non-Ferrous Metals and Transition to a Circular Economy

Vision for 2030

A company that contributes to building and maintaining a circular economy by providing a stable supply of non-ferrous metal resources through its high technological capabilities

Background to the selection of Material Issues

Resources such as non-ferrous metals, which are essential for societal development, are finite and are expected to be depleted. Additionally, economic activities that assume mass consumption and disposal of resources place a significant burden on the global environment. Therefore, there is a need to shift to a circular economy across the whole society.

KPI	Reporting boundary	Target (FY2030)	FY2024 results
Production volume of nickel *1	SMM Group	100kt/year (amounts converted to a nickel content basis)	94kt/year (amounts converted to a nickel content basis)
Production volume of copper from our interest	Copper mines in which the SMM Group holds in interests	300kt/year (amounts converted to a copper content basis)	232kt/year (amounts converted to a copper content basis)
The capability of the recycling facilities of lithium-ion secondary batteries	SMM Group	10kt/year*2	0t A battery recycling plant is under construction (scheduled for completion in mid-2026)
The capability of copper recycling	SMM Group	140kt/year (amounts converted to a copper content basis)*3	104kt/year (amounts converted to a copper content basis)
The capability of steel making dust recycling	SMM Group - Japan	120kt/year	80kt/year

*1 Production volume of electrolytic nickel, nickel sulfate, ferronickel, and nickel chloride, and nickel contained in cathode materials for automotive secondary batteries (excluding the portion supplied by our company, but including recycled nickel)

*2 Equivalent amount of lithium-ion secondary batteries

*3 Recycling rate of 30% for 460kt/year of electrolytic copper

Stable Supply of Non-Ferrous Metals

We produce non-ferrous metals such as copper and nickel. Copper is characterized by its high electrical conductivity and is widely used in diverse applications including electrical wires and copper products. Nickel, known for its corrosion resistance,

is extensively used in stainless steel products and also serves as a cathode material for lithium-ion rechargeable batteries.

Non-ferrous metals are essential materials for global economic development and modern society, with demand expected to continue growing.

Resources are finite, and competition for high-quality non-ferrous metal resources has intensified in recent years. Based on our relationships of trust with major overseas non-ferrous metal

companies and our smelting & refining technologies cultivated over many years, the SMM Group will fulfill its responsibility as a manufacturing company by enhancing its stable supply capabilities for high-quality non-ferrous metals. We will also contribute to a circular economy that does not rely on mass production and mass disposal.

Material Issues | Stable Supply of Non-Ferrous Metals and Transition to a Circular Economy

Copper Recycling

The SMM Group procures copper and precious metal scrap, as well as used printed circuit boards, from the market. We recover valuable and precious metals by processing these procured materials. Among these procured materials, those containing copper are collectively referred to as copper-based secondary raw materials. Copper is recovered by melting these raw materials in smelting furnaces or converters using surplus heat. The total amount of copper recovered is referred to as the copper recycling volume. We are working to improve processes and consider introducing new equipment to achieve an annual recycling volume of 140kt (copper content) by 2030. This corresponds to a recycling rate of 30% relative to the 460kt annual refined copper production target. In fiscal year 2024, the production of electrolytic copper from secondary copper-based raw materials was approximately 104kt, accounting for 23.4% of total production, an increase from the previous year (20.2%).



Recycled Materials (Copper-Based Secondary Raw Materials)

Precious Metal Recovery

We recover and recycle precious metals (gold, silver, platinum, etc.) using E-scrap as raw material. This E-scrap includes waste home appliances and electronic components collected nationwide, as well as waste electronic circuit boards containing high concentrations of valuable metals such as gold, silver, copper, and palladium generated during their manufacturing processes.

The collected raw materials are sorted at our affiliated company (Ohkuchi Electronics Co., Ltd.) into parts containing precious metals and parts that do not. Depending on their composition, they undergo concentration using either dry or wet processes before being transported to the Toyo Smelter & Refinery. At the Toyo Smelter & Refinery, this concentrated

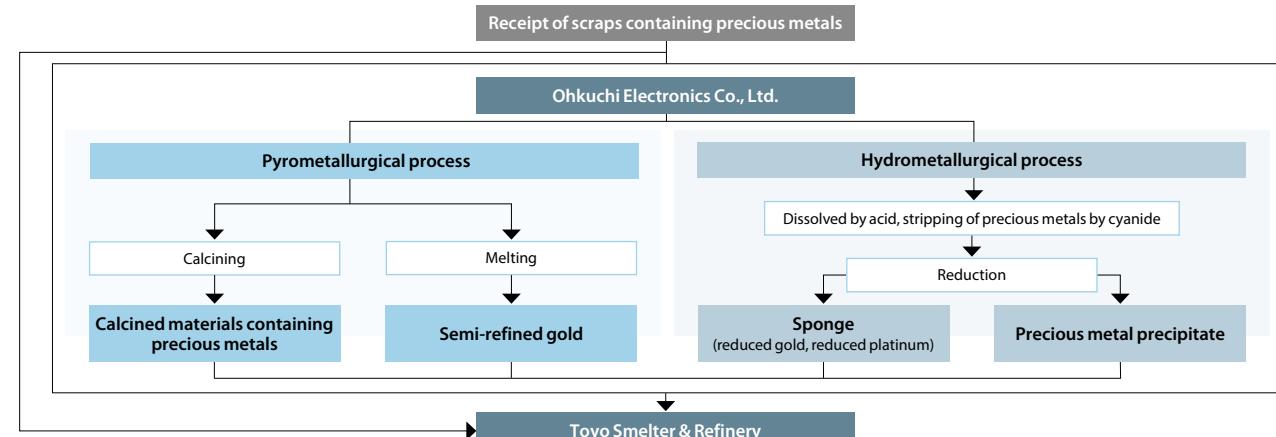
material is smelted and refined simultaneously with other copper and precious metal raw materials, regenerating it into high-purity precious metals.

Utilization of Slag

At the Toyo Smelter & Refinery, which is a copper smelter, copper slag is produced as a by-product during the smelting process. The main use for copper slag (80% 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 produced as a by-product at Hyuga Smelting Co., Ltd., which manufactures ferronickel used as a raw material for stainless steel, is mainly used for harbor and civil engineering construction.

Precious Metal Recovery Flow Diagram



Material Issues | Realizing a Carbon Neutral Society

Vision for 2030

A company that actively works to reduce greenhouse gas (GHG) emissions and develop technologies that contributes to low carbon emissions in order to achieve a carbon neutral society

Background to the selection of Material Issues

Achieving a carbon-neutral society requires efforts from the entire society, and there is a need to mitigate risks related to decarbonization and seize related opportunities.

KPI	Reporting boundary	Target (FY2030)	FY2024 results
GHG emissions	SMM Group	(Scope 1 and 2) 38% reduction compared to FY2015 (Breakdown: 50% Japan, 24% overseas) (Scope 3) Understanding current situation and setting goals: By the end of FY2025	(Scope 1 and 2) 27% reduction compared to FY2015 (GHG emissions: 2,356kt-CO ₂ e) (Scope 3) Conducted a survey of major suppliers in Category1
Development of low-carbon smelting and refining technologies	SMM Group	1. Development of hydrogen reduction technology for nickel oxide ore smelting 2. Development of DLE (Direct Lithium Extraction) technology	1. Laboratory-scale experiments to deepen the understanding of reduction behavior were conducted as planned 2. Improvement of adsorbent's durability
Amount of GHG emissions reduction contributed by low-carbon contributing products*1	SMM Group	1.1 Mt-CO ₂ *2	1.0 Mt-CO ₂
Developing and supplying low-carbon contributing products	SMM Group	1. Development of hydrogen production catalyst 2. Development of cathode materials for all-solid-state batteries	1. Development started as planned 2. Development is progressing largely as planned

*1 Products that contribute to the realization of a carbon-neutral society and are aligned with the SMM Group's product strategy (e.g., cathode materials for automotive secondary batteries, near-infrared absorbing materials)

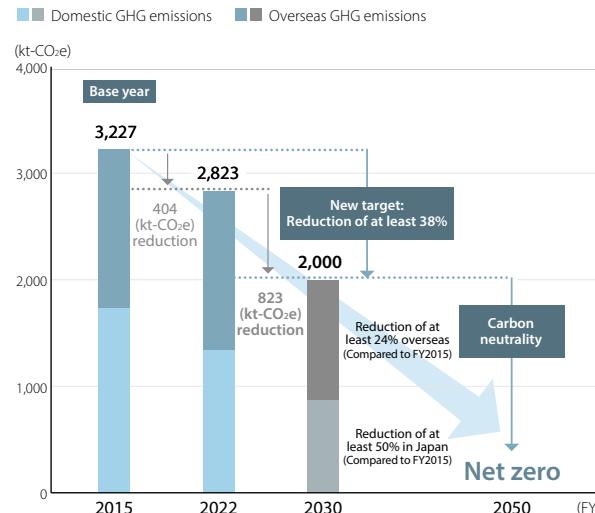
*2 Contribution to emissions reduction as of 2030 (calculated using the stock-based method). The stock-based method is a method of calculating the contribution to emissions reduction by calculating the CO₂ emissions of all products in operation in the assessment year (stock accumulation) and subtracting the CO₂ emissions of comparable products

Material Issues | Realizing a Carbon Neutral Society

Roadmap toward Achieving Carbon Neutrality in 2050

We have formulated a roadmap toward achieving carbon neutrality in 2050, along with interim reduction targets for FY2030, and announced them in December 2023. The interim target for FY2030 is a reduction of at least 38% (at least 50% in Japan and at least 24% overseas) compared to the base year of FY2015, and limiting GHG emissions to no more than 2,000 kt-CO₂e.

Roadmap toward Achieving Carbon Neutrality in 2050 (as of December 2023 announcement)



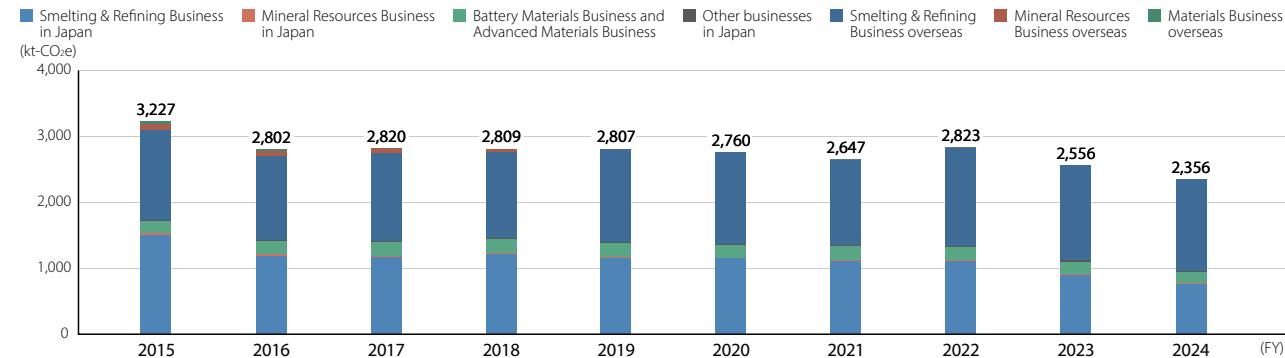
Initiatives to Achieve Carbon Neutrality by 2050

Toward achieving the interim target for FY2030, we are working to maximize the use of existing technologies, including comprehensive energy conservation, improvements in efficiency, fuel conversion from fossil fuels, and expanded introduction of renewable energy. In order to achieve carbon neutrality by FY2050, we are taking on the challenge of developing innovative technologies for smelting and refining processes where reductions are currently difficult, and, based on advancements in decarbonization technologies and their social implementation, we are also working to introduce new technologies such as next-generation energy and carbon dioxide capture and storage.

GHG Emissions (Scope 1 and 2)

The SMM Group's GHG emissions in FY2024 were 2,356 kt-CO₂e, a year-on-year decrease of 200 kt-CO₂e resulting from a decline in production volume, energy-saving activities, fuel conversion from heavy oil to LNG, and improvement of the electric power CO₂ emissions coefficient. In addition, the solar power plant operated by SMM in Kashima, Ibaraki Prefecture contributed to a reduction of approximately 1.6 kt-CO₂e in FY2024.

GHG Emissions *(Scope 1 and 2)



* The quantification of GHG emissions is subject to uncertainties in the measurement of activity data, in the determination of emission factors, and in the scientific determination of the global warming potential. Both Japan and overseas figures are calculated based on the GHG Protocol, and emission factors are based on the Japanese law "Act on Promotion of Global Warming Countermeasures".

For calculating GHG emissions from domestically purchased electricity, adjusted emission factors provided by the electricity suppliers are used.

For calculating GHG emissions from overseas purchased electricity, country-specific emission factors from the IEA Emissions Factors at that point in time are used.

Scope 1: Direct GHG emissions generated by a business (due to fuel consumption, industrial processes, etc.)

Scope 2: Indirect GHG emissions generated using electricity, heat, and steam supplied by other companies

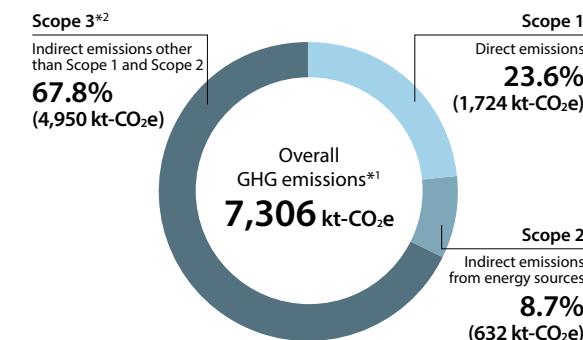
Scope 3: Indirect GHG emissions not covered by Scopes 1 or 2 (emissions from other companies with a connection to the business' activities)

Material Issues | Realizing a Carbon Neutral Society

Scope 3 Initiatives

Our Scope 3 GHG emissions for FY2024 were 4,950 kt-CO₂e. This was calculated using the emissions output level published by the National Institute of Advanced Industrial Science and Technology database (AIST-IDEA) and the Ministry of the Environment (secondary data). However, we are moving forward with replacing this (improving calculation accuracy) with the emissions output level from business partners' results (primary data), which allows for calculation of emissions that is more in line with actual circumstances than secondary data. Specifically, we are promoting a shift to primary data from Category 1, which makes up over 80% of our Scope 3 emissions, by communicating with business partners, as well as asking our business partners about their GHG emission reduction targets and the status of their initiatives, to set our Scope 3 emissions reduction targets.

Greenhouse Gas Emissions (FY2024)



Figures are rounded to the nearest whole number, so totals may not match

*1 Reporting boundary: the entire SMM Group (however, data for Scope3 Category 5 to 7 only covers Group companies in Japan)

*2 Excludes Categories 8-12, 14, and 15

As for the state of progress of these initiatives, we conducted a survey of important Category 1 suppliers in FY2024 and collected information including each company's GHG emissions per product and their reduction targets.

Development of Products Contributing to a Low-Carbon Society

Sumitomo Metal Mining strives to develop products contributing to a low-carbon society to realize a carbon-neutral society by 2050. We are working on development of products such as cathode materials for solid-state batteries for next-generation lithium-ion batteries installed in electric vehicles (EVs) that contribute to reducing greenhouse gas (GHG) emissions and the hydrogen production catalyst that are essential for manufacturing hydrogen in a society based on hydrogen energy.

Providing Products That Contribute to a Low-Carbon Society

Among the SMM Group's products, we position those products that contribute to reducing GHG emissions as low-carbon products, and the Group places the highest priority on contributing to reducing GHG emissions throughout society by developing these products and expanding business. Our current target is to contribute to a reduction in GHG emissions of at least 1,100 kt-CO₂e through low-carbon products by 2030. The GHG reduction contribution in FY 2024 was 1,000 kt-CO₂e. We will actively work on the technological development of hydrogen production catalyst and cathode materials for all-solid-state batteries, as well as the expansion of business for existing low-

carbon products.

Using Internal Carbon Pricing

The SMM Group has established Internal Carbon Pricing (ICP) to promote the development of decarbonization technologies and capital investment and has introduced an ICP system that reflects the effects of GHG reduction in investment decisions. ICP was introduced in September 2020, and we have been actively making decarbonization investments at our business sites using this system. Specifically, in addition to energy-saving investments such as the introduction of LED lighting and the replacement of air conditioning equipment with highly efficient models, we are also switching to non-fossil power sources and actively taking on challenges that were previously difficult under conventional investment standards, including the introduction of solar power and the conversion of fuel from heavy oil to LNG. Going forward, we will continue to review the ICP price as necessary in response to changes in social conditions and further promote decarbonization.

Material Issues | Conservation and Restoration of Nature

Vision for 2030

A company that contributes to a nature-positive future

Background to the selection of Material Issues

Economic activities are causing a loss of natural capital and biodiversity, as demonstrated by the rapid increase in extinction rates of species. It is necessary to aim to curb the loss of nature, restore it, and enhance its richness globally.

KPI	Reporting boundary	Target (FY2030)	FY2024 results
Identification, management, and disclosure of nature-related risks and opportunities	SMM Group	By the end of FY2026: Addressing priority locations for our group businesses By the end of FY2030: Addressing the material value chain	Organization of nature-related information Establishment the Sumitomo Metal Mining Group's Nature Policy
Prevention of significant environmental accidents	SMM Group	1. Number of significant environmental accidents: zero 2. Maintaining compliance with Global Industry Standard on Tailings Management	1. Number of significant environmental accidents: zero 2. Confirmed compliance with Global Industry Standard on Tailings Management

Identification and management of nature-related risks and opportunities

We formulated the Sumitomo Metal Mining Group's Nature Policy on April 1, 2025. The policy outlines governance and promotional framework, principles, and review and reporting. The policy sets out nature policy principles covering several key areas. These include assessing and identifying nature-related dependencies, impacts, risks, and opportunities; pursuing net-zero nature loss in priority locations; and collaborating with stakeholders across value chains and the associated regional ecosystems (landscapes). We also pledge to contribute to the sustainable

development of society by avoiding and minimizing the negative impact of our Group's business activities on nature and by undertaking restoration and conservation efforts. Furthermore, under our Vision for 2030, we aspire to be "a company that contributes to a nature-positive future." At the end of FY2026, we plan to disclose the identification of nature-related risks and opportunities in the Group's priority locations, along with our response measures.

On January 17, 2024, ICMM released its Nature Position Statement. As part of its commitments as an ICMM member company, SMM will assess nature-related dependencies, impact, risks, and opportunities for operations in priority locations by the end of FY2026. Also, by the end of FY2030, we will identify the most material value chain categories and issues and develop

performance targets and objectives for material aspects.

In FY2023, we continued our ongoing revegetation and biodiversity-conservation efforts at our business sites, and we established a working group under the Environmental Preservation Subcommittee (now the Nature Conservation and Restoration Subcommittee) to examine our response to nature-related initiatives and related information disclosure.

In FY2024, we conducted analyses of our Group's overall dependencies and impacts on nature using ENCORE, the Integrated Biodiversity Assessment Tool (IBAT), Global Forest Watch (GFW), and WRI Aqueduct-Water Risk Atlas—tools recommended by the Taskforce on Nature-related Financial Disclosures (TNFD).

Material Issues | Conservation and Restoration of Nature

Management of Operated Tailings Facilities

In August 2020, Global Tailings Review (GTR) formulated the Global Industry Standard on Tailings Management (GISTM). The International Council on Mining and Metals (ICMM) is committed to compliance with GISTM, and as a member of ICMM, we are responding to the standard.

Our Group thoroughly implements measures to prevent significant environmental accident at closed mines that it manages, and tailings facilities managed by CBNC and Taganito HPAL Nickel Corporation (THPAL), both of which are in the Philippines.

In FY2023, we disclosed information concerning high-risk tailings facilities in accordance with the provisions of the GISTM, established a working group under the Environmental Preservation Subcommittee, and took measures to ensure compliance with the GISTM.

On August 1, 2024, we formulated the Sumitomo Metal Mining Group's Tailings Facility Management Policy based on the GISTM to clarify guidelines concerning governance and implementation structures, principles, allocation of management resources, collaboration, preparations for and responses to emergency situations, reviews, and disclosures. In this policy, we make a commitment to securing the resources necessary for conducting tailings facility management activities, cooperating with stakeholders including local communities, mitigating risks throughout the lifecycle from tailings facility planning to decommissioning, and reducing impacts on the environment, as well as providing support for the safety management of tailings facilities at mines and other facilities in which we have invested.

In August 2025, in addition to the previously disclosed high-risk tailings dams, we confirmed that all tailings facilities (17 facilities) managed by our Group that are subject to disclosure

comply with the GISTM, and we disclosed this information.

Tailings Facility Management Policy

<https://www.smm.co.jp/en/sustainability/management/tailings/>

Rehabilitation

CBNC and THPAL produce intermediates for electrolytic nickel and nickel sulfate. At the tailings facilities, the slurry remaining after nickel recovery in the production process is treated through neutralization to remove toxins and precipitate heavy metals. The treated slurry is then sent to the tailings facilities, where the solids are allowed to settle.

CBNC has three tailings facilities, and THPAL has one. The first tailings facility at CBNC reached its storage capacity and completed its role, so we are currently rehabilitating the site to



Before rehabilitation

establish an independent and sustainable ecosystem. Many local residents and indigenous people are involved in these efforts, and the rehabilitation also plays an important role in creating local employment. We conduct regular monitoring, and the safe and effective management of tailings facilities throughout their lifecycles is confirmed by independent organizations and other relevant parties.



After rehabilitation

Material Issues | Conservation and Restoration of Nature

Approach to Chemical Substance Management

Because chemicals are frequently handled in the SMM Group, we have established a chemical substance management system within the environmental management system (EMS) at all business sites under divisional jurisdiction. For example, when a business site intends to handle a new chemical, it conducts a preliminary study that covers hazard statements, laws and regulations, and other applicable information, and deliberates in a meeting at the business site before deciding whether to adopt the handling of said chemical. In addition, the business divisions and Safety & Environment Control Department cooperate with requests for preliminary consultation and verification from the business site.

Further, we also provide information on safe handling for all chemicals transferred or provided to customers or to the other business sites in the SMM Group using safety data sheets (SDS)*¹ which conform to the Globally Harmonized System of Classification and Labelling of Chemicals (GHS),*² regardless of whether or not we are legally obligated to do so. When developing new materials, we strive to develop materials that customers can use safely and with peace of mind. We review development themes taking into account the toxicity of contained substances, including as pertains to domestic and international regulations for final products as well as the environmental impact of production processes.

Regarding emissions into the atmosphere and water, in order to comply with statutory regulations relating to air and water pollution and further reduce emissions of chemical substances, business sites individually set targets and take action. In FY2024, we continued implementing measures based on the hazardous substance emission reduction targets set by each facility.

*¹ Safety data sheet (SDS): A document listing information on a chemical, including the chemical substance, the product name, the supplier, hazards, safety precautions and emergency procedures

*² The Globally Harmonized System of Classification and Labeling of Chemicals (GHS): A system for classifying chemicals based on the type and degree of hazards and toxicity they pose, chemical labeling, and safety data sheet provision in accordance with a set of internationally agreed upon rules

are having any significant impact on surrounding water bodies.

The SMM Group also responds to the CDP Water Security Questionnaire every year and communicates efforts based on the Water Policy both internally and externally.

Water Use Management (Risk Management)

Water is a shared resource for the region, closely connected to the lives of residents and communities and has an impact on surrounding ecosystems. Under the Sumitomo Metal Mining Group's Water Policy, we identify water risks not only using tools such as the WWF Water Risk Filter and WRI Aqueduct, but also by considering water use and the impact on the surrounding environment at each business site. We work to reduce these risks while considering local communities and the environment in the water areas we use and take responsible action to make effective use of limited water resources.

For example, at CBNC on Palawan Island in the Philippines, where water shortages are common during the dry season, supernatant water collected in tailings facilities is treated at recycling facilities and reused in the smelting process. In addition, this water is supplied as industrial water to lime slurry manufacturers who are suppliers for CBNC, as part of efforts to make effective use of water resources. As a contribution to local communities, CBNC also provides, maintains, and manages water supply facilities, and continues to deliver drinking water using tanker trucks when necessary. Furthermore, the Environmental Management Office (EMO), which is responsible for environmental management at CBNC, forms teams with local governments, NGOs, and other stakeholders to regularly conduct water quality inspections and monitor whether plant operations

Material Issues | Co-Existence and Mutual Prosperity with Local Communities and Indigenous People

Vision for 2030

A company that grows with the community as a trusted partner

Background to the selection of Material Issues

It is important for not only companies but also local communities to develop together. Furthermore, it is essential to respect the rights of indigenous peoples, especially those affected by resource development.

KPI	Reporting boundary	Target (FY2030)	FY2024 results
Dialogue with local communities and indigenous people	SMM Group	Continuous implementation of dialogue leading to the resolution of local issues	Dialogue with local residents and indigenous people: 152 cases
Grievance mechanism	SMM Group	Proper operation	Complaints: 5 cases (all have been properly addressed)
Strengthening the foundation for social activities in communities	SMM Group	Collaborative planning and participation in community contribution programs	Amount contributed: JPY 42 million Total number of beneficiaries: 1,597 people
Helping to nurture the next generation in communities	SMM Group	Offering scholarships and other support programs	Amount contributed: JPY 291 million Total number of beneficiaries: 5,908 people

Dialogue with Indigenous Peoples

Mine development, smelting, and refining can have a considerable effect on the environment and local communities and there is a risk that the rights of the indigenous peoples living on the land, who generally occupy a vulnerable position in society, will be violated. Therefore, we think it is most important to operate business while gaining the understanding and trust of these indigenous peoples. The SMM Group respects international norms including the United Nations Declaration on the Rights of

Indigenous Peoples (UNDRIP), which provides for consideration of the right to "free, prior and informed consent (FPIC)," a distinctive right of indigenous peoples, as well as at the Position Statement of the International Council on Mining and Metals (ICMM). We will continue to engage in dialogue based on an understanding of the traditions and cultures of indigenous peoples with the aim of developing mutual understanding and trust while cooperating with relevant stakeholders including local governments in the areas where we conduct business.

Even after operations started, we established organizations to promote local community development (Social Development) in accordance with local laws and regulations and are engaged

in the Social Development and Management Program (SDMP), exchanging information. Based on these exchanges, budgets are prepared for the categories of health, education, welfare, livelihood, etc., and, after obtaining approval from the local government, we provide free health checkups, medical treatment, agricultural assistance, and more. In addition, we separately allocate budgets for activities not included in the SDMP, such as the construction of schools and assembly halls to enable indigenous peoples to learn about their culture and unique languages.

Moreover, there have been no incidents of serious conflicts concerning land use or the customary rights of indigenous

Material Issues | Co-Existence and Mutual Prosperity with Local Communities and Indigenous People

peoples reported in the vicinity of any of the mines or smelters and refineries in which we have more than 50% interest. There have also been no such incidents reported through channels including JaCER (grievance remedy platform).

Supporting Training the Next Generation in Local Communities

The SMM Group holds next-generation training programs in local communities where our businesses are located to strive to realize co-existence and mutual prosperity with local communities, one of our management philosophies. We implemented 35 such projects in FY2024.

As one support plan for training the next generation, we established the JEES Sumitomo Metal Mining Scholarship for the Region's Sustainable Development as part of Japan Educational Exchanges and Services (JEES) in FY2023 based on our donations. The intention was to assist students who are willing to contribute to sustainable development in local communities where



Training for Scholarship students at the Besshi Copper Mine Memorial Museum

our businesses are located and in need of economic aid. The scholarship system provides a monthly sum of ¥100,000 until graduation, with no need of repayment, and offers programs to study how to support local communities. The scholarship was granted to 39 students (21 male and 18 female) in FY2024.

This scholarship support program implemented a three-stage training program starting in March 2024 for the first cohort of scholarship recipients, aimed at gaining the perspectives necessary for regional contribution. Specifically, in Niihama City, Ehime Prefecture, where our Besshi Copper Mine is located, participants engaged in: 1) The "Discovery" stage, experiencing the region's history and characteristics firsthand and building empathy with its active members; 2) The "Deep Dive" stage, establishing their core purpose for regional contribution; 3) The "Engagement" stage, actively undertaking regional contribution activities. After these activities, we held the Results Presentation for the First Class of Scholarship Recipients at our Head Office in August 2025 (with nine of the 18 recipients in the first class participating). The scholarship students presented information including what they learned in each activity and program, and prospects for future initiatives, concluding the programs to support scholarship students for them. We plan to continue the scholarship system going forward to support students working to contribute to local communities.

Strengthening the Foundation for Local Social Activities

Through the provision of capital and human resources, the SMM Group supports initiatives contributing to strengthening the foundation for social activities in local communities where our businesses are located (such as initiatives creating added value related to our businesses, including revitalization of

local economies; inheritance of traditions; training the next generation; and conservation of biodiversity, water, and forests). We strive to realize co-existence and mutual prosperity with local communities, one of our management philosophies.

We support the further growth of local communities by providing training programs via leadership development for those communities, and the provision of capital and human resources, to regions in which we develop our businesses. We implemented 12 such projects in FY2024.

Specifically, at the Ome District Div., we cooperated with the local Social Welfare Council, local companies, and the Tama University Research Institute to launch the Ome-Hamura Corporate Social Contribution (OHSC) Project, which reconciles awareness of social issues based on dialogue with the local community and brings various organizations together to mobilize toward solutions. This project held study sessions (6 sessions, approx. 60 participants total) involving the Regional Social Welfare Council, local government, and local businesses, deepening mutual understanding between public and private sectors regarding initiatives that could create value for the community. As an initial outcome, a corporate joint purchase initiative for bread and confectionery produced at a facility supporting employment for people with disabilities was realized, contributing to improved employee job satisfaction and wage increases. In the future, we will support the expansion of networks that promote further value creation in the local community. In addition, we began an initiative to support activities assisting inquiry-based learning at high schools in the Tama area. In November 2024, we spoke at a business research class for first-year students at Tokyo Metropolitan Akirudai High School, and in February 2025, we participated in a presentation at the school. Furthermore, in February 2025, we sponsored the Tama Area Inquiry-Based Learning Research Seminar hosted by Tama University to support collaboration between teachers in the Tama area.

Material Issues | Supply Chain Management

Vision for 2030

A company that builds a sustainable supply chain

Background to the selection of Material Issues

It is necessary to understand the social impacts not only within the corporate group but also upstream and downstream in the supply chain, and to respond to these risks and opportunities.

KPI	Reporting boundary	Target (FY2030)	FY2024 results
Percentage of smelters and refineries certified with international certifications* ¹	SMM Group	100%	57%
Percentage of appropriate suppliers* ² selected through due diligence for responsible mineral sourcing	SMM Group	100%	Review and establishment of a due diligence implementation system
Implementation of ESG due diligence* ³ across the supply chain	SMM Group	Implementation and disclosure of due diligence for suppliers* ⁴ (by the end of FY2026)	Review and establishment of a due diligence implementation system

*1 International certifications for responsible mineral sourcing and production (e.g., JDDS, Copper Mark Criteria, etc.)

*2 Mines, smelters, etc. with international certifications

*3 In accordance with ISO 20400 (Sustainable Procurement Guidance) and other relevant standards, areas covered include such things as climate change mitigation, environmental conservation, human rights (including occupational health and safety), labor practices, community development, corporate governance, ethics, and anti-corruption

*4 Includes procurement of goods and services, logistics, construction contracts, etc. (excluding mineral procurement)

Initiatives Related to Sustainable Procurement

In addition to responsible mineral sourcing, the SMM Group formulated the Sumitomo Metal Mining Group Sustainable Procurement Policy, which provides for cooperation with stakeholders to carry out procurement activities that consider human rights and labor, compliance, quality assurance, and

environment and local communities with the aim of building sustainable supply chains throughout the Group. We requested our main business partners (suppliers) to agree to this policy, and 99% have agreed. In addition, we ask those suppliers who agreed to the policy to complete a self-assessment questionnaire (SAQ) concerning sustainable procurement, and responses have been received from 98%.

The responses to the SAQ reveal that about 85% of overall evaluations were accounted for by the highest of the five levels

of evaluation (i.e., S, A, and B evaluations), confirming that many business partners are advancing initiatives related to sustainability. For those business partners that received a C or D rating, we selected one company from each business division and purchasing department for a total of five companies and exchange opinions with them concerning sustainability (in particular, business and human rights) with the objective of leading to improvements by the suppliers.

Material Issues | Supply Chain Management

Initiatives for Responsible Mineral Production and Sourcing

We are aware of the importance of ensuring transparency throughout the entire supply chain with respect to the mineral sourcing, which has a long and complex supply chain from upstream to down-stream, and we undertake responsible mineral sourcing initiatives in line with mechanisms advanced by the international Responsible Minerals Initiative (RMI) to ensure

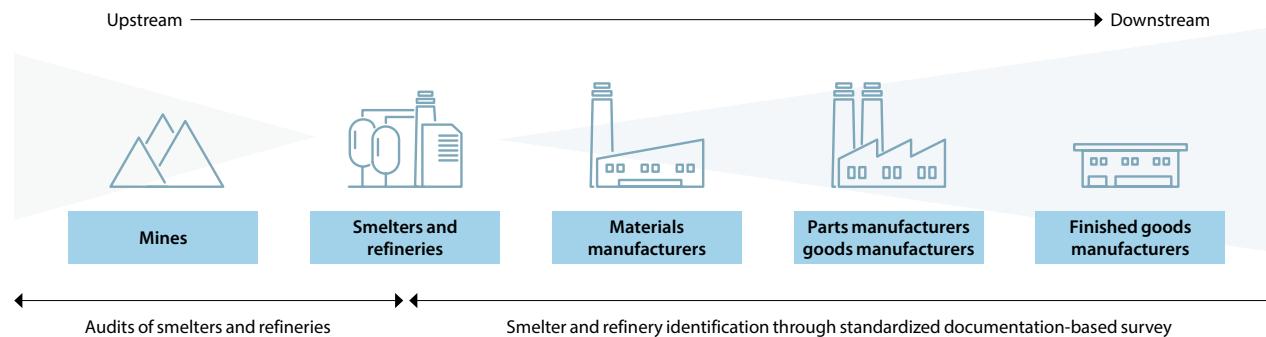
supply chain transparency (see figure below). These mechanisms aim to ensure transparency in the supply chain in a more efficient manner by starting with smelters and refineries, which are relatively few.

Upstream of smelters and refineries, we regularly undergo third-party, international standards-based audits of responsible mineral sourcing mechanisms at our smelters and refineries, covering matters including risk assessments of suppliers. Since audit standards vary from mineral to mineral, we work to ensure that each standard is met by conducting due diligence, developing internal systems and regulations, and providing

internal training. The table below shows the status of third-party audits at our smelters and refineries.

At the finished goods manufacturers downstream from the smelters and refineries, a standardized survey is extended for the purpose of identifying the smelters and refineries that produced the minerals used in their products. We have established an approval process for responses to these surveys, which are sent from the supply chain to customer companies and are working to ensure unified responses across the SMM Group. In FY2024 we responded to 378 surveys.

Responsible Mineral Sourcing Initiatives Promoted by the RMI



Status of Third-Party Audits at Our Smelters and Refineries

Audit standards (issuing organization)	Subject minerals				
	Gold	Silver	Cobalt	Nickel	Copper
RGG (LBMA)	RSG (LBMA)		All Mineral Standard (RMI)	All Mineral Standard (RMI)	All Mineral Standard (RMI)
LBMA	LBMA		RMI	RMI	RMI
FY2012	FY2018	FY2020	FY2022	FY2023	

Business and Human Rights

Fundamental Approach

Business operations in resource industries require large-scale development in many instances, which means they often have significant impacts on local communities. Mineral resource development in particular poses risks of causing human rights violations including child labor. In light of these business characteristics, the SMM Group takes measures to respect the human rights of stakeholders with an emphasis on local residents and indigenous peoples, employees in the supply chain, and our Group employees.

The SMM Group supports the UN Guiding Principles on Business and Human Rights, and our Group Corporate Philosophy espouses “respect for all individuals” as its foundation. In accordance with our Group’s human rights policy, we promote initiatives to uphold human rights, including the implementation of due diligence and the operation of grievance (remedy) mechanisms.

Business and Human Rights Initiatives Process

The Sumitomo Metal Mining conducts due diligence and operates a grievance mechanism in accordance with our human rights policy and discloses the details in sustainability website and other formats.

The Sumitomo Metal Mining Group Policy on Human Rights

In 2022, the SMM Group revised its human rights policy. The revised policy sets forth the Group’s commitments on fundamental human rights issues, including respect for children’s rights and prohibition of child labor, and prohibition of discrimination, harassment, and bullying on the basis of race, religion, gender, age, sexual orientation, disability, nationality, and other factors. We are also committed to respecting human rights based on international norms such as the International Bill of Human Rights, the ILO Core Labor Standards (10 conventions in five areas: effective approval of freedom of association and workers’ right to collective bargaining; prohibition of all forms of forced labor; effective elimination of child labor; elimination of discrimination in employment and occupation; safe and healthy working environment). In the unlikely event of a conflict between applicable laws and regulations and international norms on human rights in the regions in which we operate, we seek ways to respect international norms while complying with the laws and regulations.

Grievance Mechanism

With respect to complaint handling (grievance) mechanisms, the SMM Group established an internal reporting system for our Group employees. We also have a platform operated by a third-party available for use even by outside stakeholders as a grievance mechanism. This platform is provided by the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), which was established in 2022. Sumitomo Metal

Mining participates in JaCER as a founding member (regular member). JaCER is an organization that aims to support and promote the redress of grievances of member companies from a professional standpoint by providing a non-judicial Engagement and Remedy Platform for grievance redress based on the United Nations Guiding Principles on Business and Human Rights. They also established an Advisory Board consisting of external experts and an Advisory and Mediation Panel and Investigation Panel consisting of independent experts.

Grievances received by JaCER about the Group (FY2024)

0 cases