

December 26, 2023

Announcement of interim target and roadmap toward carbon neutrality

Sumitomo Metal Mining Co., Ltd. (TSE: 5713) has formulated a reduction target for the fiscal year 2030 and a roadmap for efforts toward achieving net zero greenhouse gas (GHG) emissions by 2050.

This roadmap is based on the ICMM Statement on Climate Change, which was jointly committed by representatives of member companies in accordance with the goals of the Paris Agreement in October 2021, as part of our membership in the International Council on Mining and Metals (ICMM). Additionally, Sumitomo Metal Mining is also considering transition strategies towards 2050 within the GX League* in which the company participates, and incorporating them into this roadmap.

In formulating the roadmap towards 2050, the company has revised its reduction target for the fiscal year 2030 from "keeping GHG emissions below the 2013 level" to "reducing GHG emissions by 38% or more compared to the 2015 level." In addition to the existing efforts to promote energy saving and high-efficiency, Sumitomo Metal Mining has also considered specific measures, including expanding the transition to LNG and biofuels, utilizing renewable energy, and utilizing carbon credits. These measures have been set as quantitative targets.

The Sumitomo Metal Mining Group is committed to reducing GHG emissions through operational improvements and technological innovations, aiming for carbon neutrality by 2050. In addition, it is developing products contributing to reduction of GHG emissions such as battery materials and near-infrared absorption materials, and expanding its business to contribute to reducing global GHG emissions and mitigating climate change.

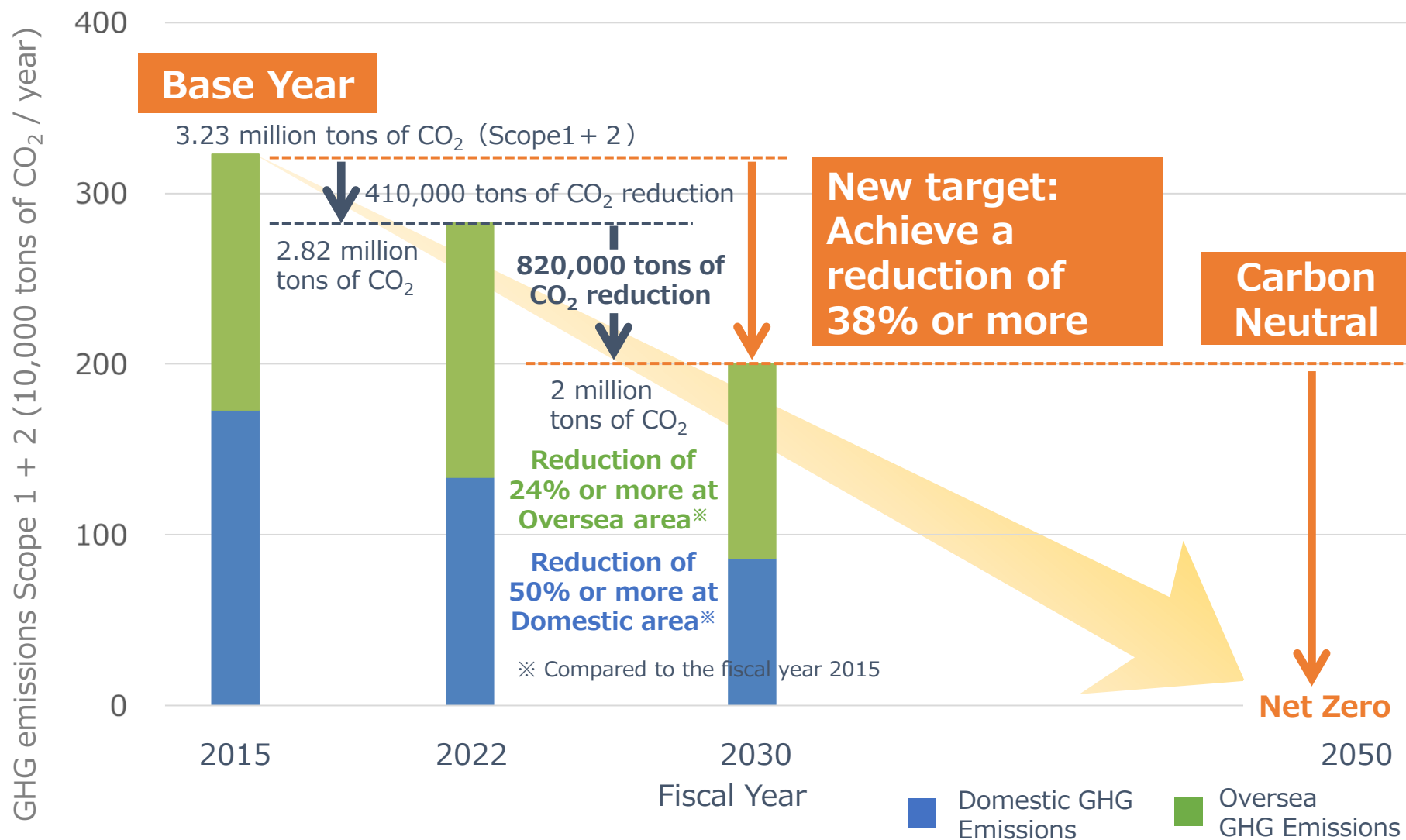
For more details, please refer to the following pages.

* GX League

In 2022, Japan established the GX League (GX: green transformation), a forum for cooperation between a group of companies and the government, universities, and academic institutions in order to meet greenhouse gas reduction targets and increase industrial competitiveness by using Japan's goal of carbon neutrality by 2050 as an opportunity for economic growth.

Currently, companies from various industries that endorse the GX League are working together to develop a vision of the future society, make rules for market creation, and prepare a carbon credit exchange scheme.

Roadmap for Achieving Carbon Neutrality by 2050

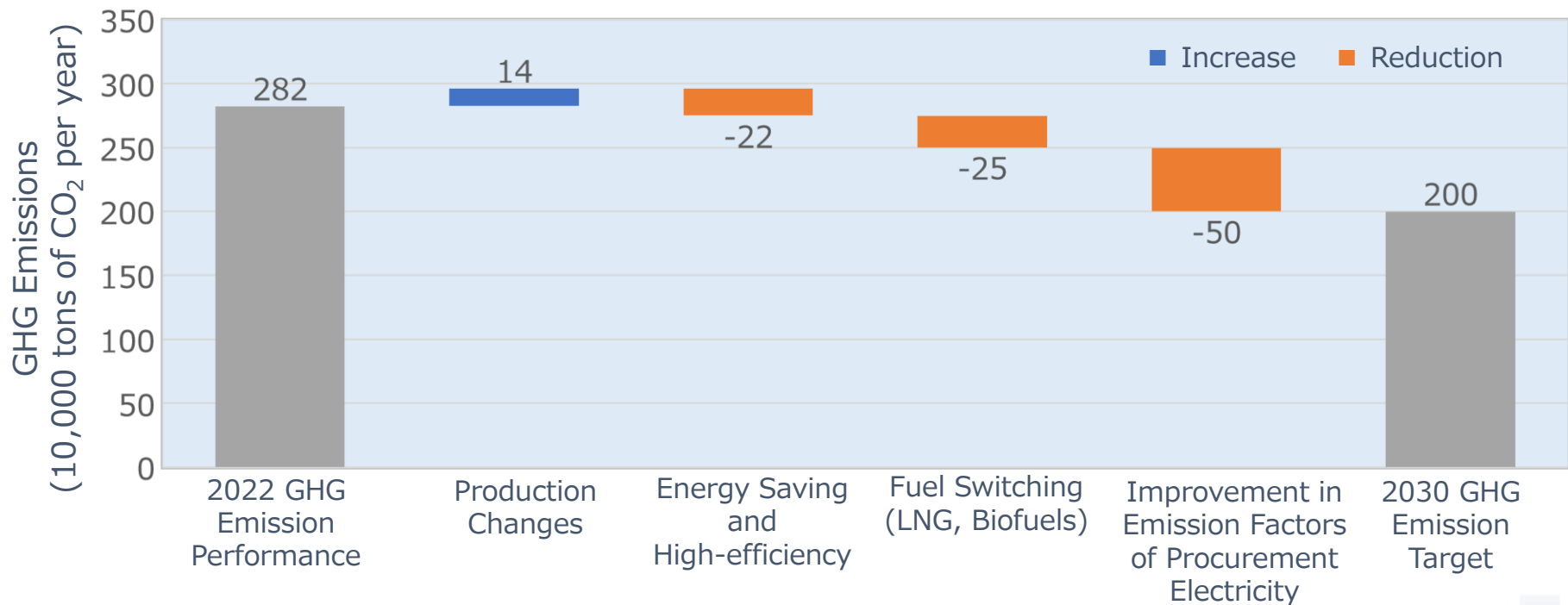


Efforts to Realize Carbon Neutrality by 2050



	Efforts by 2022	Efforts for 2030	Efforts for 2050
Process Improvement	<ul style="list-style-type: none"> Energy saving and high-efficiency Reconstruction of production system (Harima Refinery, Hyuga Smelting plant, etc.) 	<ul style="list-style-type: none"> Thorough implementation of energy saving and high-efficiency 	<p>Maximize Utilization of Available Technologies</p> <p>Continuous Efforts</p> <p>Adoption of New Technologies</p>
Energy Conversion	<ul style="list-style-type: none"> Conversion from heavy oil to LNG (Isoura Plant, Niihama Nickel Refinery) Introduction of solar power and geothermal binary power generation (Hishikari Mine, Ome District Div., etc.) 	<ul style="list-style-type: none"> Expansion of transition from heavy oil and coal to LNG and biofuels Electrification of thermal energy equipment Expansion of introduction of renewable energy generation Utilization of carbon credits 	
Improving Emission Coefficients of Procured Electricity	<ul style="list-style-type: none"> Switching to renewable energy electricity (Harima Refinery and Hishikari Mine) 	<ul style="list-style-type: none"> Expansion of renewable energy electricity usage Utilization of renewable energy certificates 	
Technological Development	<ul style="list-style-type: none"> Exploration and fundamental research 	<ul style="list-style-type: none"> Pilot tests and demonstration experiments 	
Utilization of External Technologies		<ul style="list-style-type: none"> Consideration and preparation for the application of new decarbonization technologies 	

Initiatives Toward Achieving the 2030 Target



■ Expanding Investments in GHG Reduction Using the ICP (Internal Carbon Pricing) System

- Decided to start using ICP in September 2020, and it began in 2021
- ICP price: 20,000 yen per ton of CO₂
- ICP applies to projects that enhance technology capabilities and increase corporate value through GHG reduction, such as LNG fuel conversion, biofuels co-firing, fan efficiency improvement, solar power generation, steam usage reduction, waste heat recovery, and boiler feedwater quality improvement, while ensuring profitability assessment.

