

International Council on Mining and Metals' (ICMM) Performance Expectations (PEs) Self-Assessment

– FY2024 Asset Level Report (Niihama Nickel Refinery)

We implemented a PEs self-assessment for Niihama Nickel Refinery in FY2024 as shown below and underwent third-party validation in FY2024

FY2024 Self-Assessment Result (Niihama Nickel Refinery)

Items	Performance Expectation	Assessment Summary ¹	Implementation Evidence and Gaps
1	Apply ethical business practices and sound systems of corporate governance and transparency to support sustainable development.		
1.1	Establish systems to maintain compliance with applicable law.	Meets	As a mechanism for identifying relevant legal requirements, the Legal Department of Sumitomo Metal Mining Co., Ltd. distributes a monthly newsletter to all employees, providing information on legal and regulatory revisions from the previous month. In addition, our group has established the "Basic Compliance Regulations" as a framework to track, assess, verify, and communicate changes to relevant legal requirements. When a compliance violation is detected at Niihama Nickel Refinery, the responsible legal department, as stipulated in the Basic Compliance Regulations, evaluates preventive measures and other necessary actions. The details are then reported to the Board of Directors of Sumitomo Metal Mining Co., Ltd.
1.2	Implement policies and practices to prevent bribery, corruption and to publicly disclose facilitation payments.	Partially Meets	Our group has established the "Basic Policies for Anti-Bribery" as a policy to prevent bribery and corruption. The policy stipulates that facilitation payments are to be treated in the same manner as the provision of standard benefits; however, the specific details of this treatment have not been disclosed publicly. In addition, while training on the policy and prohibited practices is provided to employees, we were unable to provide evidence that such training has been conducted for contractors.
1.3	Implement policies and standards consistent with the ICMM policy framework. ²	–	–
1.4	Assign accountability for sustainability performance at the Board and/or Executive Committee level. ²	–	–
1.5	Disclose the value and beneficiaries of financial and in-kind political contributions whether directly or through an intermediary. ²	–	–
2	Integrate sustainable development in corporate strategy and decision-making processes.		
2.1	Integrate sustainable development principles into corporate strategy and decision-making processes relating to investments and in the design, operation and closure of facilities. ²	–	–
2.2	Support the adoption of responsible physical and psychological health and safety, environmental, human rights and labor policies and practices by joint venture partners, suppliers and contractors, based on risk.	Meets	The "SMM Group's Sustainable Procurement Policy" sets out our expectations regarding health and safety, the environment, human rights, and labor practices throughout our value chain. To promote high standards in these areas, we require all primary suppliers and contractors to agree to the "SMM Group's Sustainable Procurement Policy."
3	Respect human rights and the interests, cultures, customs, and values of workers and communities affected by our activities.		

3.1	Support the UN Guiding Principles on Business and Human Rights by developing a policy commitment to respect human rights, undertaking human rights due diligence (including undertaking processes that assess perceived, potential and actual human rights impacts on rightsholders, including human rights defenders and other vulnerable groups), and providing for, or cooperating in processes to enable the remediation of adverse human rights impacts that members have caused or contributed to.	Partially Meets	Our group has established the "Sumitomo Metal Mining Group Policy on Human Rights" as a commitment to prevent causing or contributing to adverse human rights impacts through our business activities or those directly related to our operations, products, or services via business relationships. While we provide human rights training to all employees, including those in our group companies, we were unable to provide evidence of mechanisms for appropriately communicating potential human rights impacts to affected neighboring communities, nor of company-wide human rights due diligence.
3.2	Avoid the involuntary physical or economic displacement of families and communities. Where this is not possible apply the mitigation hierarchy and implement actions or remedies that address residual adverse effects to restore or improve livelihoods and standards of living of displaced people.	Partially Meets	Because the development plan for Niihama Nickel Refinery commenced before 2001 (prior to the establishment of the ICMM), procedures related to involuntary resettlement plans are not applicable. Furthermore, since 2001, no development plans requiring involuntary resettlement have been implemented at Niihama Nickel Refinery. However, as we have not established a policy to avoid involuntary resettlement to the extent possible, we are unable to provide evidence regarding such a policy at this time.
3.3	Implement, based on risk, a human rights and security approach consistent with the Voluntary Principles on Security and Human Rights. This includes identifying potential and actual human rights impacts on vulnerable groups.	Partially Meets	We provide human rights training to security personnel. Incidents involving security personnel and neighboring residents are recorded in security logs. However, we were unable to provide evidence of implementing a security and human rights approach in line with the Voluntary Principles on Security and Human Rights, including conducting human rights risk assessments, or evidence of consultations on security and human rights with potentially affected stakeholders, such as neighboring residents.
3.4	Respect the rights of workers by: not employing child or forced labor; avoiding human trafficking; not assigning hazardous/ dangerous work to those under 18; eliminating all forms of harassment and discrimination; respecting freedom of association and collective bargaining; and providing an appropriate mechanism to address workers grievances.	Meets	We only employ individuals who have graduated from high school; therefore, child labor and the assignment of hazardous work to those under 18 do not occur. As evidence that forced labor and human trafficking do not take place, our group has labor contracts based on the consent of employees. Our group has internal "Human Rights Regulations" as a mechanism to identify, assess, and eliminate potential employment and human rights risks related to harassment and discrimination. We also have a collective labor agreement to ensure respect for the right to freedom of association and collective bargaining. In addition, our "Grievance Redressal Council" serves as a mechanism that enables workers to raise and resolve grievances.
3.5	Equitably remunerate employees with wages that equal or exceed legal requirements or represent a competitive wage within that job market (whichever is higher) and assign regular and overtime working hours within legally required limits.	Meets	Our group has labour contracts related to employee compensation. We monitor working hours to ensure compliance with statutory requirements. As evidence of mechanisms to ensure fair remuneration, we have internal regulations such as guidelines for personnel evaluations and achievement assessments.
3.6	Respect the rights, interests, aspirations, culture, Indigenous knowledge and natural resource-based livelihoods of Indigenous Peoples in project design, development and operation; carry out due diligence to address potential adverse impacts; and share benefits in a manner that is aligned with Indigenous Peoples' aspirations for social and economic development.	Not Applicable	We determined that this was "Not applicable" because there were no indigenous peoples in the area where Niihama Nickel Refinery was constructed.
3.7	Obtain agreement with affected Indigenous Peoples demonstrating their consent to anticipated impacts to their land or other rights, and setting out the terms by which impacts may occur and be managed. Where potential impacts include the relocation of Indigenous Peoples from their lands or territories, or significant impacts to their critical	Not Applicable	We determined that this was "Not applicable" because there were no indigenous peoples in the area where Niihama Nickel Refinery was constructed.

	cultural heritage, companies will explore feasible alternatives to project design in order to avoid such impacts. If relocation and/or significant impacts on critical cultural heritage are unavoidable, companies will obtain agreement demonstrating the consent of affected Indigenous Peoples in accordance with ICMM's Indigenous Peoples and Mining Position Statement. In any instance where agreement is not obtained, ICMM members will develop a policy or approach outlining the steps they have taken to fulfil the commitments set out in the position statement.		
3.8	Implement policies and practices to respect the rights and interests of women that reflect gender-informed approaches to work practices and job design, and that protect against all forms of discrimination and harassment, and behaviours that adversely impact on women's successful participation in the workplace.	Meets	As evidence of our policies and practices to respect the rights and interests of women, protect against all forms of discrimination and harassment, and support the successful participation of women in the workplace, our group has established action plans in accordance with the Act on the Promotion of Female Participation and Career Advancement in the Workplace. In addition, we have salary regulations as evidence that our standards for employment and compensation are based on objective criteria and are not discriminatory on the basis of gender or other social or economic factors. For employment and compensation practices across the company, including Niihama Nickel Refinery, we disclose data such as the ratio of female managers, ratio of female employees, childcare leave utilization rates by gender, and new hire and turnover rates by gender in our ESG Data Book.
3.9	Implement policies and practices to respect the rights and interests of all workers and improve workforce representation in the workplace so it is more inclusive.	Partially Meets	To create a more inclusive workplace, our group monitors for harassment and discrimination through Employee Awareness Surveys and other methods, and provides education and training to employees. However, we were unable to provide evidence of such activities being extended to contractors.
4	Implement effective risk-management strategies and systems based on sound science, and which account for stakeholder perceptions of risk.		
4.1	Assess environmental and social risks and opportunities of new projects and of significant changes to existing operations in consultation with interested and affected stakeholders, and publicly disclose assessment results.	Not Applicable	Because the construction of Niihama Nickel Refinery took place before 2001 (prior to the establishment of the ICMM), Environmental Impact Assessment (EIA) procedures were not applicable.
4.2	Undertake risk-based due diligence on conflict and human rights that aligns with the OECD Due Diligence Guidance on Conflict-Affected and High Risk Areas, when operating in, or sourcing from, a conflict-affected or high risk area.	Not Applicable	For the nickel produced at Niihama Nickel Refinery, due diligence is conducted in accordance with the Joint Due Diligence Standard, and for cobalt, in accordance with the Responsible Minerals Assurance. Both are certified by the Responsible Minerals Initiative. During the due diligence process, no operations or procurement involving CAHRA were identified; therefore, this was determined to be "Not applicable."
4.3	Implement risk-based controls to avoid/prevent, minimise, mitigate and/or remedy physical and psychological health, safety and environmental impacts to workers, local communities, cultural heritage and the natural environment, based upon a recognised international standard or management system.	Meets	Niihama Nickel Refinery manages occupational health and safety in accordance with ISO 45001 and operates an environmental management system based on ISO 14001. As evidence of our risk-based controls to avoid, prevent, minimize, mitigate, and/or remedy health, safety, and environmental impacts on workers, local communities, cultural heritage, and the natural environment—as well as to minimize or compensate for adverse impacts—we have established regulations such as the "Risk Management System Regulations" and the "Environmental Management Regulations."
4.4	Develop, maintain and test emergency response plans. Where risks to external stakeholders are significant, this should be in collaboration with potentially affected stakeholders and consistent with established industry good practice.	Meets	We have established internal regulations such as the "Risk Management Regulations," "Business Continuity Plan," and "Emergency Response Procedures" as evidence of emergency response plans that include the identification of foreseeable hazards and risks that could lead to emergency situations.
5	Pursue continual improvement in physical and psychological health and safety performance with the ultimate goal of zero harm.		

5.1	Implement practices aimed at continually improving workplace physical and psychological health and safety, and monitor performance for the elimination of workplace fatalities, serious injuries, psychosocial hazards and prevention of occupational diseases, based upon a recognised international standard or management system.	Meets	We manage occupational health and safety in accordance with ISO 45001. As mechanisms to identify, assess, eliminate (where possible), or control health and safety hazards and occupational diseases, we have established regulations such as the "Regulations on Security, Safety, and Occupational Health Management."
5.2	Provide workers with training in accordance with their responsibilities for physical and psychological health and safety and implement health surveillance and risk-based monitoring programmes based on occupational exposures.	Meets	Our group has internal regulations, such as the "Regulations for Security, Safety and Occupational Health Management," as mechanisms to identify and provide job-specific health and safety training for employees, as well as to conduct research, studies, and education on security, safety, and occupational health management. Additionally, our internal regulations, such as the "Regulations for health and Safety," specify the activities, substances, and processes to which employees may be exposed, along with the procedures to follow in the event that occupational exposure limits are exceeded.
6	Pursue continual improvement in environmental performance issues, such as water stewardship, energy use, and climate change.		
6.1	Plan and design for closure in consultation with relevant authorities and stakeholders, implement measures to address closure-related environmental and social aspects, and make financial provision to enable agreed closure and post-closure commitments to be realised.	Not Applicable	As Niihama Nickel Refinery does not have mines or tailings dams, this was determined to be "Not applicable."
6.2	Implement water stewardship practices that provide for strong and transparent water governance, effective and efficient management of water at operations, and collaboration with stakeholders at a catchment level to achieve responsible and sustainable water use.	Meets	Niihama Nickel Refinery monitors water intake, effluent volumes, and contaminants. As evidence of stakeholder engagement on water management at the catchment level, we submit compliance reports to the authorities in accordance with the Water Pollution Control Act.
6.3	Design, construct, operate, monitor and decommission tailings disposal/storage facilities using comprehensive, risk-based management and governance practices in line with internationally recognised good practice, to minimise the risk of catastrophic failure.	Not Applicable	As Niihama Nickel Refinery does not have tailings dams, this was determined to be "Not applicable."
6.4	Apply the mitigation hierarchy to prevent pollution, manage releases and waste, and address potential impacts on human health and the environment.	Meets	Niihama Nickel Refinery implements an environmental management system based on ISO 14001. As mechanisms to identify, assess, and control sources of potential pollution and their impacts on human health and the environment, we have established internal regulations such as the "Environmental Management Regulations" and the "Waste Management Regulations." Specific initiatives in line with the mitigation hierarchy include the reuse of water recovered within processes and the reduction of waste by utilizing unnecessary resources from one process in another.
6.5	Implement measures to improve energy efficiency and contribute to a low-carbon future, and report the outcomes based on internationally recognised protocols for measuring CO2 equivalent (GHG) emissions.	Meets	Niihama nickel Refinery reports energy usage to Sumitomo Metal Mining Co., Ltd. in accordance with the internal "Energy Management Regulations." Sumitomo Metal Mining calculates the group's GHG emissions following the GHG Protocol, using emission factors based on the Act on Promotion of Global Warming Countermeasures, and discloses this information in its ESG Data Book.
7	Contribute to the conservation of biodiversity and integrated approaches to land-use planning.		

7.1	Neither explore nor develop new mines in UNESCO World Heritage Sites, respect legally designated protected areas, and design and operate any new operations or changes to existing operations to be compatible with the value for which such areas were designated.	Not Applicable	We determined that this was "Not applicable," as there are no UNESCO-listed World Heritage sites in the area surrounding Niihama Nickel Refinery.
7.2	Assess and address material risks and impacts to biodiversity and ecosystem services by implementing the mitigation hierarchy, to achieve a minimum of no net loss (NNL) or net gain of biodiversity by completion of closure.	Not Applicable	Based on a biodiversity risk assessment, it was determined that the asset does not overlap with habitats of endangered species; therefore, this was considered "Not applicable."
8	Facilitate and support the knowledge-base and systems for responsible design, use, re-use, recycling, and disposal of products containing metals and minerals.		
8.1	In project design, operation and de-commissioning, implement cost-effective measures for the recovery, re-use or recycling of energy, natural resources and materials.	Meets	There is evidence that the principles of sustainable development have been integrated into our project design. In line with our roadmap toward achieving carbon neutrality by 2050, we are working to reduce GHG emissions through fuel conversion and energy-saving initiatives during both facility installation and operation. We are also implementing water recycling measures, such as the reuse of cold water. As part of our waste management efforts, we are working to reduce plastic emissions and are promoting resource recycling initiatives, including the recycling of flexible containers (FIBCs).
8.2	Assess the hazards of the products of mining according to UN Globally Harmonised System of Hazard Classification and Labelling or equivalent relevant regulatory systems and communicate through safety data sheets and labelling as appropriate.	Meets	Internal regulations, such as the "SMM Group Chemical Management Guidelines," serve as evidence that we have established practices to identify, assess, and classify product hazards in accordance with the UN Globally Harmonized System (GHS) or equivalent relevant regulations. We communicate product hazards to stakeholders through safety data sheets for hazardous substances and clearly label containers and packaging with information about hazardous substances.
9	Pursue continual improvement in social performance and contribute to the social, economic, and institutional development of host countries and communities.		
9.1	Implement inclusive approaches with local communities to identify their development priorities and support activities that contribute to their lasting social and economic wellbeing, in partnership with government, civil society and development agencies, as appropriate.	Meets	As evidence of our participatory engagement practices to identify, assess, and implement community development activities that address local priorities and help ensure communities can thrive even after closure, we have established the "Community Contribution Activity Plan/Achievement Report."
9.2	Enable access by local enterprises to procurement and contracting opportunities across the project life-cycle, both directly and by encouraging larger contractors and suppliers, and also by supporting initiatives to enhance economic opportunities for local communities.	Meets	At Niihama Nickel Refinery, minutes of communications with partner companies serve as evidence of consultations with local communities to define, identify, communicate, and promote procurement opportunities for local enterprises or contractors.
9.3	Conduct stakeholder engagement based upon an analysis of the local context, including with human rights defenders and other vulnerable groups, and provide local stakeholders with access to appropriate and effective mechanisms for seeking resolution of grievances related to the company and its activities.	Meets	The company has established a grievance mechanism in line with the UN Guiding Principles on Business and Human Rights, enabling the receipt, investigation, and internal reporting of complaints from stakeholders.
9.4	Collaborate with government, where appropriate, to support improvements in environmental and social practices of local artisanal and small-scale mining (ASM).	Not Applicable	We determined that this was "Not applicable," as artisanal and small-scale mining (ASM) is not present in the local area.

10	Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner, effectively report and independently verify progress and performance.		
10.1	Identify and engage with key corporate-level external stakeholders on sustainable development issues in an open and transparent manner. ²	–	–
10.2	Publicly support the implementation of the Extractive Industries Transparency Initiative (EITI) and compile information on all material payments, at the appropriate levels of government, by country and by project.	Not Applicable	We determined that this was "Not applicable," as we are not engaged in resource development in any country where the EITI is implemented.
10.3	Report annually on economic, social and environmental performance at the corporate level using the GRI Sustainability Reporting Standards. ²	–	–
10.4	Each year, conduct independent assurance of sustainability performance following the ICMM guidance on assuring and verifying membership requirements. ²	–	–

Items for which we were unable to provide evidence will be subject to further consideration.

*1: Each of the PEs was evaluated in light of the judgment criteria indicated for each PE in ICMM's Validation Guidance, as follows.

Meets: Systems and/or practices related to the PE have been implemented (all the judgment criteria in the Validation Guidance are met) and there is sufficient evidence thereof.

Partially meets: Systems and/or practices related to the PE have been partially implemented (some judgment criteria of Validation Guidance are met). Or, verifiable evidence provided is insufficient.

*2: The asset level report is not applicable, as it is a corporate level item.