Sustainability

Message from the President



GRI 2-22

Business innovation is precisely the source of continuity
Responding to global trends while thinking back on our predecessors

The significance of striving for our Long-Term Vision to become “the world leader in the non-ferrous metals industry”

The goal to become “the world leader in the non-ferrous metals industry” upheld in the Sumitomo Metal Mining Group’s Long-Term Vision is the approach we have shared both inside and outside the Company for the Group to continue to fulfill our social duty. We will do this by acquiring resources while cooperating globally with the major overseas non-ferrous metals companies[1], although competition to acquire resources is intensifying, and by contributing to the stable supply of non-ferrous metals and materials such as copper and nickel, which are essential to support social development and people’s lives. This approach will not change, even when the times and the environment change.

With business operations based on the Sumitomo Business Spirit, the Group has previously contributed actively to resolving social issues through our business thanks to several business innovations put forward by our predecessors, and we have overcome significant changes in the business environment many times.

1 A general term for the Group of major companies developing the mining, smelting and refining, and sale of non-ferrous metals on a global scale

Condensing of material issues and revision of our Vision for 2030 in response to changes in the external environment

The Sumitomo Metal Mining Group clarified material issues (materialities) for becoming “the world leader in the non-ferrous metals industry” as stated in our Long-Term Vision in March 2020, and we have formulated our Vision for 2030 regarding each issue. The business environment has since changed drastically, with accelerated technological progress exemplified by digital technologies such as artificial intelligence (AI), as well as other factors including rising global warming and geopolitical risks. In addition, the scope of social demand for sustainable corporate management, including a circular economy, carbon neutrality, nature positive, and human capital management, has expanded, and this management has become more difficult.

Based on these significant changes in the external environment, we revised our Vision for 2030 for the first time in five years, condensing the previous 11 material issues into six and reestablishing our KPIs so that the state of progress would be measurable in order to ensure implementation of the PDCA cycle. We disclosed this revision in March 2025.

The Sumitomo Metal Mining Group will strive to contribute to a sustainable society by leveraging our *MONOZUKURI RYOKU* (manufacturing and operational capability), which are our greatest strengths, to work on the six newly established material issues. I believe the initiatives will lead to enhancing the Group’s corporate value.

Leveraging our *MONOZUKURI RYOKU* (manufacturing and operational capability) to fulfill our responsibility to society

The Sumitomo Business Spirit includes the phrase “*Jiri-rita Koushi-ichinyo*” (Benefit self and benefit others; private and public interests are one and the same). In essence, they express the belief that Sumitomo’s business operations must bring benefit not only to the Company itself but also to the Japanese nation and, even more broadly, to the world as a whole. What these ideas convey has much in common with the “sustainable management” sought throughout society today. This sincere

approach to business is also essential to become “the world leader in the non-ferrous metals industry,” as stated in our Group’s Long-Term Vision.

To respond to the significant recent changes in the external environment and link this to resolving social issues through our business, each of our employees must feel a sense of personal involvement in the six material issues and must change the state of everything from the organization and business to the production process, products, and customer support, and the methods of the work for which they are responsible, with a flexible way of thinking. Only after implementing this business innovation will we fulfill our social duty as the company that will stably supply non-ferrous metals and this will also lead to the implementation of the Sumitomo Business Spirit.

With the support and collaboration of our stakeholders based on this spirit, we will continue to fulfill our responsibility to society going forward.



Nobuhiro Matsumoto
President and Representative Director

Management Framework

Sustainability at the Sumitomo Metal Mining Group

GRI 2-6 / 2-22 / 3-1

Our Group carries forward the mine operation and the smelting and refining that have been Sumitomo's original businesses since 1590, placing the Sumitomo Business Spirit at the center of our corporate conduct. Article 1 of the Sumitomo Business Spirit states that we value the trust of society and mutual relationships, and that we will address all matters with integrity.
As mining must be conducted where the targeted natural resources are present, typically in projects that span years or even decades, mine operation in particular demands that we build and maintain relationships of trust with varied stakeholders in areas of operations as a prerequisite for the continuity of our business.
Based on the Sumitomo Business Spirit, our Group's Corporate Philosophy calls for co-existence with the global environment and society. It sets out ways of building and maintaining the relationships of trust indicated in the Sumitomo Business Spirit, and advocates respect for all individuals to achieve a forward-minded and vibrant company.
The Sumitomo Metal Mining Group Sustainability Policy describes our stance in working toward the sustainability that we are pursuing through co-existence with the global environment and society and respect for all individuals. The policy clearly positions contribution to the sustainable development of society as an issue for our management, and further defines the aim of our sustainable growth as enhancing the degree of our contribution and ensuring its sustainability. This is in accordance with "Benefit self and benefit others, private and public interests are one and the same," the spirit that Sumitomo has inherited, meaning that Sumitomo's business must benefit the nation and society, and emphasize harmony with the public interest.
Toward the realization of this Sustainability Policy, we have identified material issues, and we have formulated our Vision for 2030 for each of these material issues. In this way, our Group's stance toward sustainability takes co-existence with the global environment and society and respect for all individuals as its philosophy. Placing value on social trust and mutual relationships, we seek to balance the sustainable development of society with sustainable growth for our company.

Sustainability Issues in the Value Chain

GRI 2-6 / 3-1

Within the value chains of our Group's businesses, we mapped out sustainability issues in terms of their potential impacts on society. In mapping sustainability issues, we made reference to matters concerning material issues described in the "Global Reporting Initiative (GRI) Sector Standard for Mining".*

Sustainability Issues: Impacts on Society (Referred to the "Global Reporting Initiative (GRI) Sector Standard for Mining.")	Business Value Chain							Stakeholders affected by the SMM Group				
	Suppliers	SMM Group			Customers	End users						
	Business activities	Procurement	Research & development	Manufacture, sale and other activities (management of decommissioned and closed mines, etc.)	Process and manufacture of finished products	Usage	Disposal	Employees on our supply chain	Employees of the SMM Group	Employees of customers and contractors	Consumers and users	Local communities and indigenous peoples
GHG emissions	●	●	●	●	●	●	●	●	●	●	●	●
Climate adaptation and resilience	●	●	●	●	●	●		●	●	●	●	●
Air emissions	●			●	●	●	●	●	●	●	●	●
Biodiversity	●			●	●	●	●				●	●
Waste	●			●	●		●			●	●	●
Tailings	●			●	●			●	●			●
Water and effluents	●			●	●	●	●	●	●	●	●	●
Closure and rehabilitation	●			●				●	●			●
Economic impacts		●		●	●	●		●	●	●		●
Local communities	●			●	●	●	●					●
Rights of Indigenous Peoples	●			●		●	●					●
Land and resource rights	●			●								●
Artisanal and small-scale mining	●							●				
Security practices and human rights	●			●					●			●
Critical incident management	●	●	●	●	●	●	●	●	●	●	●	●
Occupational health and safety	●	●	●	●	●			●	●	●		
Employment practices	●	●	●	●	●			●	●	●		
Child labor	●	●	●	●	●			●	●	●		
Forced labor and modern slavery	●	●	●	●	●			●	●	●		
Freedom of association and collective bargaining	●	●	●	●	●			●	●	●		
Non-discrimination and equal opportunity	●	●	●	●	●			●	●	●		
Anti-corruption		●	●	●	●			●	●	●		●
Payments to governments		●	●	●								●
Public policy		●	●	●		●	●				●	●
Conflict-affected and high-risk areas	●	●		●	●			●				●

Global Reporting Initiative (GRI) Sector Standard for Mining

Sumitomo Metal Mining Group Sustainability Policy

GRI 2-22 / 2-23

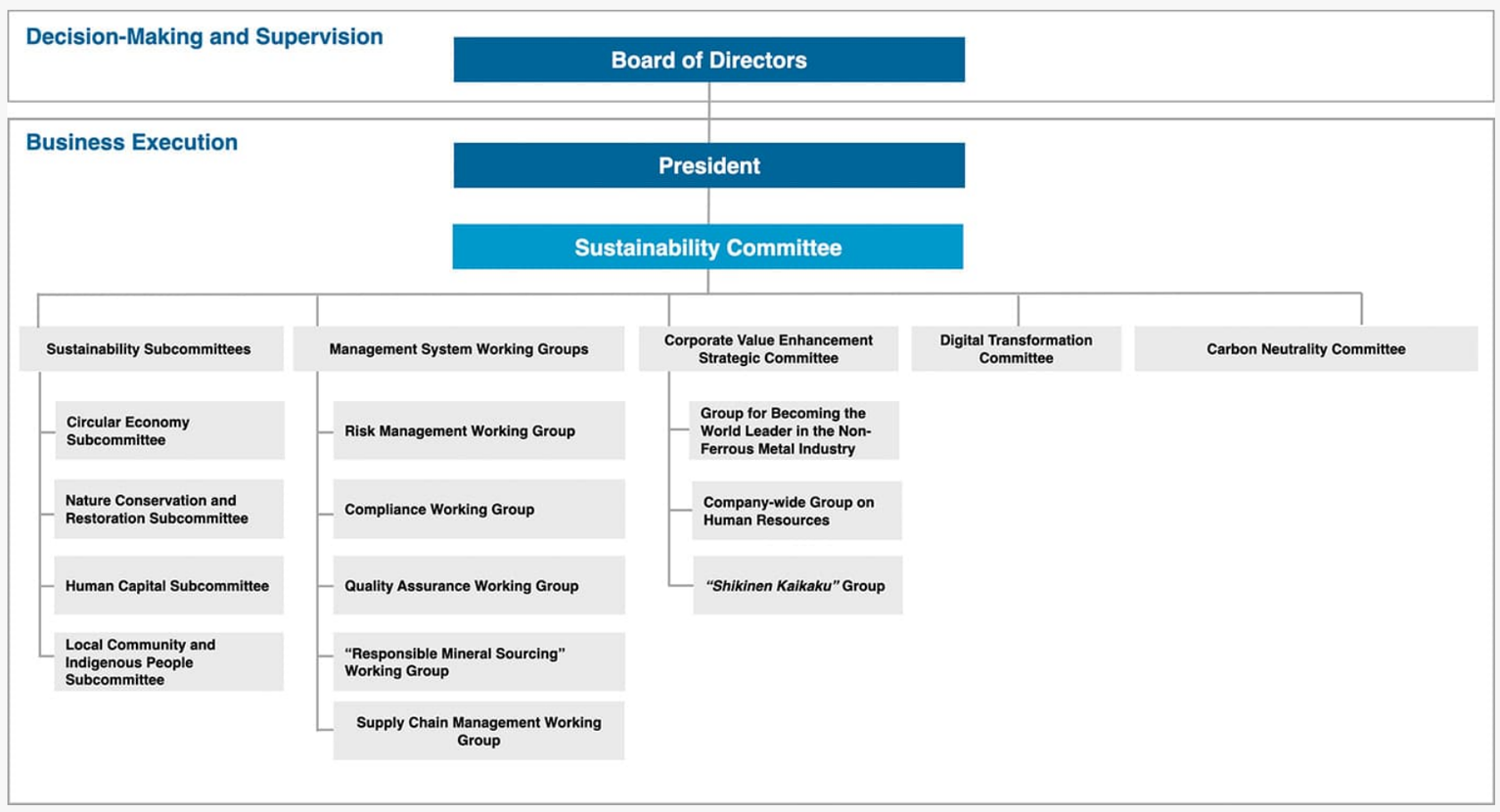
The SMM Group will tackle management issues that contribute to society's sustainable development, and will strive to achieve continuous growth in our business and improve our corporate value.

Sustainability Management Framework

GRI 2-12 / 2-13 / 2-14 / 2-24

Our Group, based on the Sumitomo Business Spirit, has consistently worked to address social issues through its business activities for many years. In 2008, we defined our Vision for 2020, established the precursor to the current CSR Committee, identified the material issues we needed to address to bring about our vision, set KPIs, and worked towards these targets. In 2020, we defined our Vision for 2030. In 2022, seeking greater alignment between management and sustainability, we reorganized the CSR management framework into a sustainability management framework. In March 2025, we revised the material issues outlined in our Vision for 2030 and implemented structural changes, including restructuring the Sustainability Subcommittees and establishing the Supply Chain Management Working Group.

Sustainability Management Framework



Board of Directors

Functions of the Board of Directors	• Make resolutions on sustainability-related matters (Sumitomo Metal Mining Group Sustainability Policy, material issues and vision, establishment of sustainability management framework, and significant changes to the above) • Receive regular reports on decisions and key deliberation items from the Sustainability Committee

Sustainability Committee

Chair	President
Deputy Chair	Executive officer in charge of sustainability (executive officer in charge of the Corporate Planning Department)
Members[1]	General Managers of Divisions, General Managers of Administration Departments, General Manager of the Technology Division, General Manager of the Planning & Administration Department of the Technology Division, General Manager of the Engineering Division, General Manager of the Facilities Technology Department of the Engineering Division, heads of operational divisions in the Head Office 1 The Chairman of the Board, outside directors, and Audit & Supervisory Board members attend as observers
Secretariat	Sustainability Department and Corporate Planning Department
Number of times convened	FY2024: 10 meetings (including 4 extraordinary)
Content of deliberations	● Deliberation on revision or abolition of the Sustainability Policy and material issues ● Deliberation and decision-making on the roadmap and KPIs for sustainability promotion activities ● Regular evaluation of sustainability promotion activities and invocation of corrective measures ● Provision of information on sustainability promotion activities, exchange of information, explanation of key measures, and sharing of awareness ● Deliberation on other important matters related to sustainability promotion activities
Main Agenda Items in FY2024	● Deliberation on the formulation of the Sumitomo Metal Mining Group's Tailings Facility Management ● Deliberation on the revision of material issues and the Vision for 2030, and as well as the management framework after the revision ● Deliberation on the formulation of the Sumitomo Metal Mining Group's Nature Policy

■Sustainability Subcommittees

Each subcommittee develops a roadmap for each material issue toward 2030 and manages the progress of KPIs.

Subcommittee	Chair	Deputy Chair	Material Issues
Circular Economy Subcommittee	General Manager of the Technology Division	General Manager of the Non-Ferrous Metals Division	Stable Supply of Non-Ferrous Metals and Transition to a Circular Economy
Nature Conservation and Restoration Subcommittee	General Manager of the Safety & Environment Control Department	—	Conservation and Restoration of Nature
Human Capital Subcommittee	General Manager of the Human Resources Department	General Manager of the Safety & Environment Control Department General Manager of the Public Relations & Investor Relations Department	Human Capital Management
Local Community and Indigenous People Subcommittee	General Manager of the General Affairs Department	—	Co-Existence and Mutual Prosperity with Local Communities and Indigenous Peoples

■Management System Working Groups

We have established various working groups to promote our Group's major management systems across the organization and strengthen our management foundations. Each working group monitors the progress of its activity plans.

Working Group	Chair	Deputy Chair	Material Issues / Themes
Risk Management Working Group	Executive officer in charge of the Corporate Planning Department	Executive officer in charge of the Safety & Environment Control Department	Risk Management
Compliance Working Group	Executive officer in charge of the Legal Department	General Manager of the Legal Department	Compliance
Quality Assurance Working Group	General Manager of the Quality Assurance Department	—	Quality Assurance
"Responsible Mineral Sourcing" Working Group	General Manager of the Non-Ferrous Metals Division	General Manager of the Sustainability Department	Supply Chain Management
Supply Chain Management Working Group	General Manager of the Battery Materials Division	General Manager of the Sustainability Department	

■Corporate Value Enhancement Strategic Committee, Digital Transformation Committee, Carbon Neutrality Committee

Committee	Chair	Deputy Chair	Purpose
Corporate Value Enhancement Strategic Committee	Executive officer in charge of the Corporate Planning Department	General Manager of the Corporate Planning Department	To grow our Group's business sustainably and enhance corporate value
Digital Transformation Committee	Executive officer in charge of the Technology Division	General Manager of the Digital Transformation Department	To clarify the future vision of Digital Transformation that our Group should aim for, and to maximize the contribution to management through company-wide promotion of Digital Transformation
Carbon Neutrality Committee	Executive officer in charge of the Technology Division	General Manager of the Safety & Environment Control Department	To set a clear policy and path toward achieving carbon neutrality that our Group should pursue, and to promote this initiative quickly and powerfully

Material Issues and Vision for 2030

GRI 2-22

Realizing our Long-Term Vision

Drawing on its corporate philosophy and management vision, the SMM Group will expand its growth potential and sustainability by securing resources and providing non-ferrous metals, battery materials, advanced materials, and other high-quality materials in an effort to enhance its company value and achieve its long-term vision of becoming the world leader in the non-ferrous metals industry. The Vision for 2030 for each material issue is focused on non-financial value that is essential to achieve our long-term vision.
Since its formulation and announcement in March 2020, we have been working towards achieving our Vision. However, considering changes in social conditions and the business environment, we reviewed material issues in March 2025 and simultaneously revised the Vision for 2030 and the KPI & Goals.



Material Issues

1. Stable Supply of Non-Ferrous Metals and Transition to a Circular Economy	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
2. Realizing a Carbon Neutral Society	A company that actively works to reduce greenhouse gas (GHG) emissions and develop technologies that contribute to low carbon emissions in order to achieve a carbon neutral society
3. Conservation and Restoration of Nature	A company that contributes to a nature-positive future
4. Human Capital Management	A company that attracts a diverse workforce and allows them to grow and thrive
5. Co-Existence and Mutual Prosperity with Local Communities and Indigenous Peoples	A company that grows with the community as a trusted partner
6. Supply Chain Management	A company that builds a sustainable supply chain

Planning Process CLOSE

STEP 1

Identification of Sustainability Issues

From April 2018, having summarized outlooks for conditions in 2030 by the OECD and other organizations and international guidelines such as ICMM guidelines and GRI Standards, and having identified 89 sustainability issues, we worked to connect these issues with closely related SDG targets.

STEP 2

Identification of Material Issues Through Evaluation of the Materiality of Sustainability Issues

From October 2018, we began the identification of material issues through evaluation of the materiality of sustainability issues for the 89 extracted topics. Evaluations were conducted on two axes: social perspectives and business perspectives, based on three standpoints: (1) degree of impact on society, (2) increased risk if not actively addressed, and (3) opportunities gained by active engagement. Through this process, we identified 11 material issues that were commonly considered highly material from both perspectives as proposed material issues. The evaluation and identification were carried out through discussions by Sustainability subcommittees, business divisions, young employees in our group, and external experts on sustainability.

STEP 3

Examination of the Vision and KPIs

From April 2019, we began examination of the Vision and of specific KPIs in the Sustainability Subcommittees corresponding to the 11 material issues. In July 2019, based on the examination by the Sustainability Subcommittees, we held deliberations by officers and carried out final examinations through the Sustainability Committee.

STEP 4

Formulation and Announcement of Vision for 2030

In December 2019, the Sustainability Committee convened to issue its approval of Vision for 2030 and its KPIs, which, following a resolution by the Board of Directors, led to the formulation and announcement of the Vision in March 2020.

2025 Revision Process and Approach

We undertook revisions and consolidated the 11 material issues formulated in March 2020 to 6. The intention of which was to respond to changes in global SDGs and ESG-related issues, and increasingly sophisticated and complex demands made of companies.
Also, we set more quantitative and measurable KPIs to measure the progress of initiatives aimed at realizing our Vision for 2030.
We received input from external experts on KPI setting, such as: “Material issues should include positive aspects that enhance corporate value, not only aspects that reduce negative impacts,” and “It would be better to clarify the connection between material issues and KPIs.” Based on this input, discussions were held by the Sustainability Subcommittees and the Carbon Neutrality Committee, and revisions were implemented following approval by the Sustainability Committee and a resolution by the Board of Directors.

Related Links

3-Year Business Plan ›

Value Creation Process ›

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

GRI 2-22 / 3-2 / 3-3

Background

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.

Strategies

The SMM Group will work to acquire mining rights and improve its smelting technology as part of its goal to ensure a stable supply of copper and nickel, which are essential to our daily lives. We will also focus on recycling technology as part of our commitment to reducing the impact that the use of resources has on the environment, with a view to shifting to a circular economy.

KPI/Target/Result

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**

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

Initiatives

Realizing a Stable Supply of Non-Ferrous Metal Resources

Contributing to a Circular Economy

Related Links

Environmental Data

Realizing a Stable Supply of Non-Ferrous Metal Resources

Expand Production Volumes of Nickel

The SMM Group is aiming to build a production system of 100 kt (amounts converted to a nickel content basis) by 2030, due to the expanding global EV market and increased demand for batteries. To achieve this target, we will promote multi-faceted measures, including improving our R&D and production processes, participating in new projects, and making capital investments.

Main Initiatives

- Participation in New Projects
  In April 2024, the SMM Group, together with Mitsubishi Corporation, joined the Kalgoorlie Nickel Project (KNP) - Goongarrie Hub, which is 100% owned by Australian company Ardea Resources Limited. We believe that entering into this new project will significantly contribute to securing a stable supply of raw nickel and expanding our production capacity.
- Expansion of Sales Channels for Nickel Products and Facility Expansion and Reinforcement
  We are working to increase sales of our diverse product lineup, including electrolytic nickel, nickel sulfate, ferronickel, and nickel chloride. Also, to respond to the increase in demand, we are proceeding with production facility expansion and reinforcement. In FY2024, we increased sales of high-value-added products and reinforced our facilities.
- Increased Sales and Production of Nickel-Based Cathode Material
  We are also focusing on expanding sales and increasing production of nickel-based cathode materials. In FY2024, we achieved monthly sales of 5,403 tons (yearly average), expanded our product line-up, and optimized our production capacity. We will continue to develop new products, increase our batch production capacity, and diversify raw material procurement. We plan to flexibly respond to diverse market needs by achieving both a stable supply and high quality.
- Development of New Production Technologies
  We will incrementally start construction and operations at Goongarrie Hub and a converter at Hyuga Smelting Co., Ltd. In FY2024, we conducted planning investigations, and testing. We will proceed with construction and equipment installation in stages, aiming to diversify the supply of raw materials and increase our production efficiency.

Through these initiatives, we aim for the sustainable growth of our Group, and build a system for the stable supply of nickel.

Promotion of Copper Mine Projects

We are working to reinforce the production structures of joint venture mines to achieve and maintain an annual copper equity production level of 300 kt from copper mines in which our group holds interests. In FY2024, we completed construction at the Quebrada Blanca Copper Mine in Chile, in which we have a joint interest in with Sumitomo Corporation and Canada-based Teck Resources Limited, a major resource company. In combination with the existing equity copper production from the Morenci Copper Mine in the United States, the Cerro Verde Copper Mine in Peru, and other mines, total copper production in FY2024 was 232 kt.
We also reached an agreement in May 2025 on acquiring a 30% interest in the Winu Copper-Gold Project in Australia, the aim of which is to acquire new superior resources and develop new mines for which we hold operatorship.

Contributions to a Circular Economy

Battery Recycling

As automobiles undergo what is expected to be a rapid and long-term shift to electric drive and battery capacity becomes increasingly higher, demand is growing for the copper, nickel, cobalt, and lithium used in lithium-ion secondary batteries (LIBs) for electric vehicles, leading to calls for effective resource recycling.

Since 2017, SMM has been recovering and reusing the copper and nickel contained in LIBs through a process that combines the pyrometallurgical copper smelting processes of the Toyo Smelter & Refinery and the hydrometallurgical refining processes of the Niihama Nickel Refinery.

The recovered nickel is processed into a secondary battery cathode active material at the Isoura Plant, which has allowed us to realize Japan's first "battery to battery" horizontal recycling using materials recovered from used LIBs. SMM's LIB recycling process facilitates enables efficient processing of used LIBs with high impurity content by using our unique technologies that combining pyrometallurgical smelting and hydrometallurgical refining.

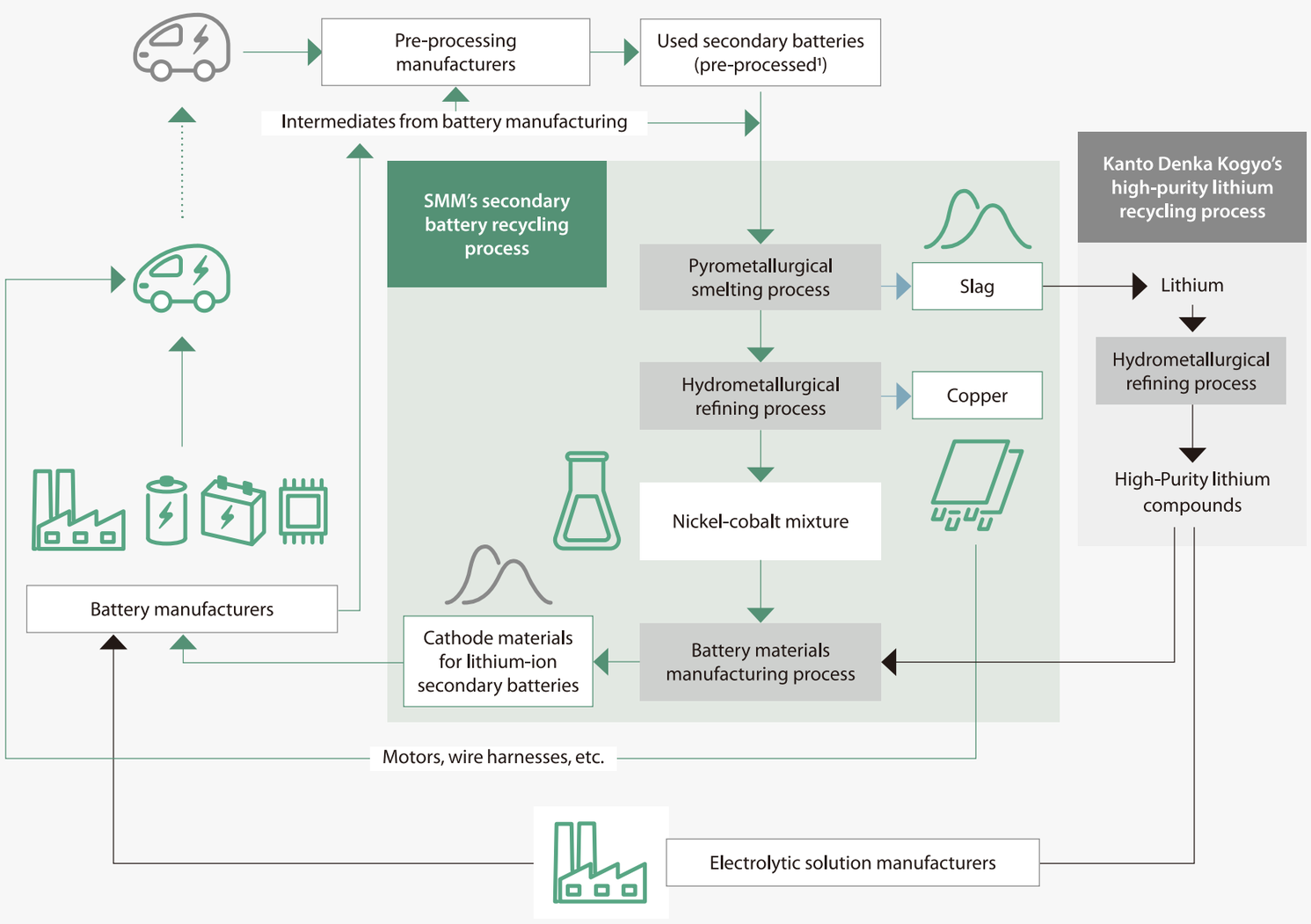
In 2022, through joint development with Kanto Denka Kogyo Co., Ltd., we established technology that recycles lithium from slag containing lithium into high-purity compounds, successfully developing a new process for horizontal recycling of copper, nickel, cobalt, and lithium.

In March 2024, we decided to construct recycling plants to recover copper, nickel, cobalt, and lithium from used LIBs and other materials on the grounds of the Toyo Smelter & Refinery and the Niihama Nickel Refinery. Construction of the plants is scheduled to start in FY2024 and be completed in the middle of 2026. The capability of the facilities at the plants, which means the volume of raw material can be processed, is planned to be the equivalent amount of approximately 10kt of lithium-ion secondary battery cells per year.

Their design takes into account handling the expecting future increase in used LIB and the metal recovery rate and recycled material inclusion rate defined in EU Battery Regulation in force since August 2023. The plants also incorporate the Company's own technology for suppressing CO_2 emissions, and it shall undertake further technology development and optimization with the goal of reducing its carbon footprint. Additionally, in conjunction with the construction of the plants, we have signed partnership agreements with leading recycling companies to establish a supply chain for used LIB recycling. With this as a spur, we shall work together with our partners and accelerate studies on a collection system for used LIB.

We shall continue with our initiatives towards establishing an LIB recycling system and shall contribute to the achievement of a sustainable circular economy.

■ Recycling Flow



1 Pre-processing: Heat treatment to eliminate toxins, crushing, and selection

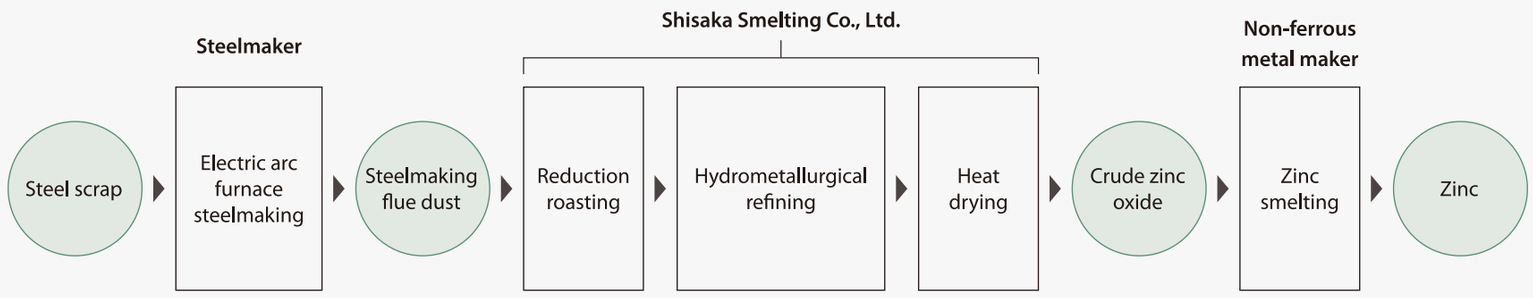
Copper Recycling

GRI 301-2

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, which represents a significant increase from the previous year (20.2%).

Zinc Recovery from Steelmaking Flue Dust

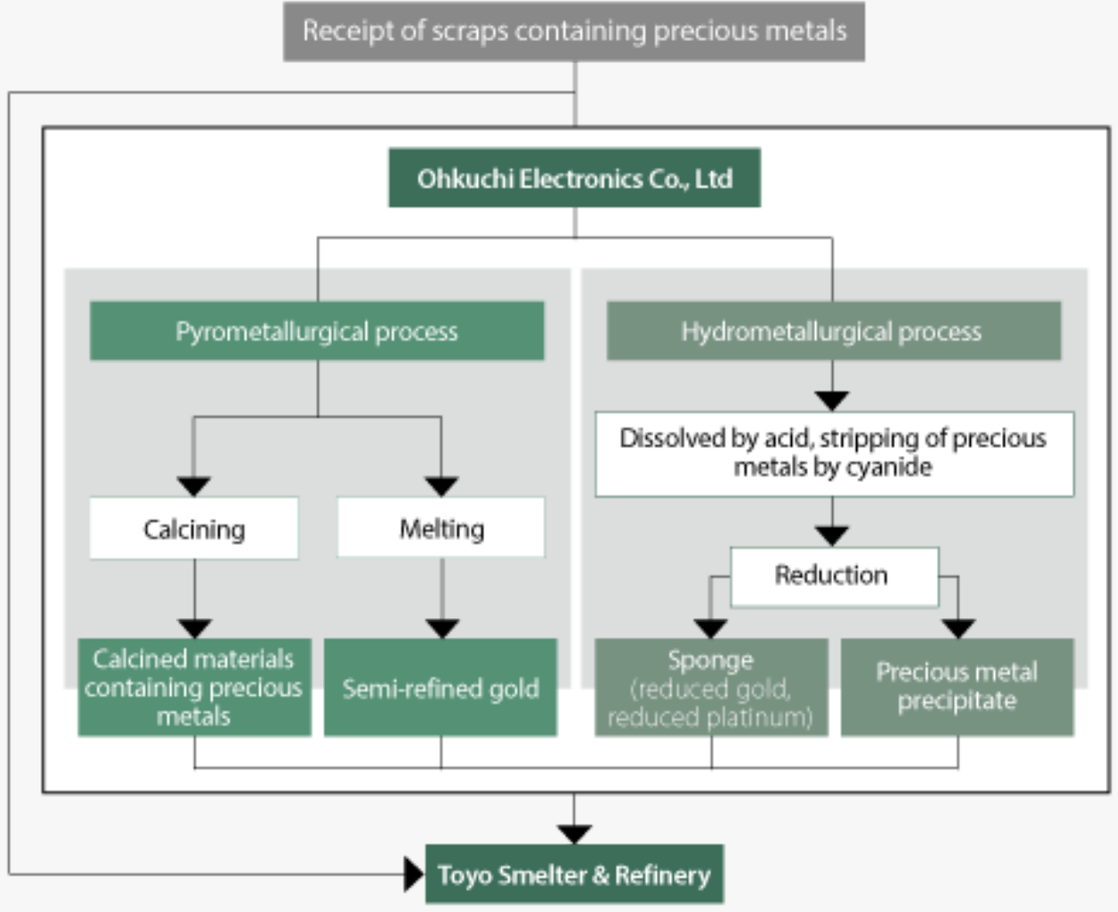
At Shisaka Smelting Co., Ltd., a Group company, steelmaking flue dust produced by electric arc steelmaking furnaces at steel manufacturers is used as the main raw material for recovering zinc (crude zinc oxide). After the flue dust is reduced and roasted with coke and other materials, the dust containing volatilized zinc is subjected to hydrometallurgical refining and heat drying to remove impurities and recover the zinc.
Looking ahead, as steel manufacturers are expected to shift to electric arc steelmaking to reduce GHG emissions, the amount of steelmaking flue dust generated is anticipated to increase. In response, Shisaka Smelting is working to improve its processes with the aim of recycling 120kt of steelmaking flue dust per year by 2030.



Precious Metal Recovery

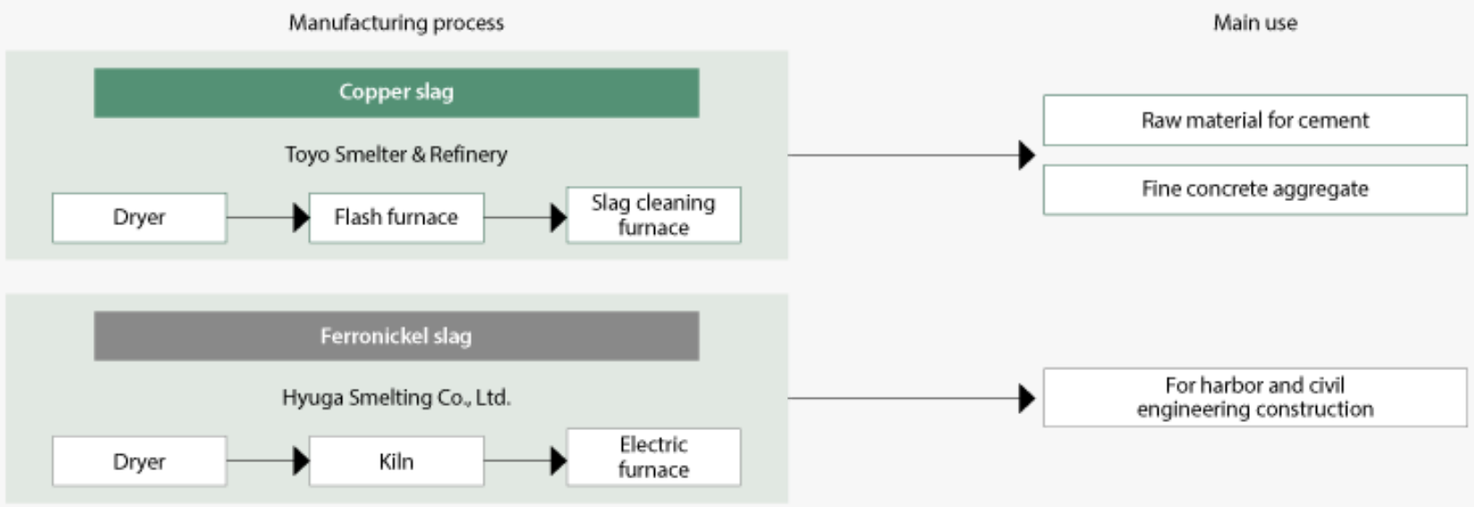
We recover and recycle precious metals (gold, silver, platinum, etc.) using E-scrap as raw material. This E-scrap includes waste home appliances and electronic components collected from all over Japan, as well as waste electronic circuit boards generated during manufacturing processes that contain high concentrations of valuable metals such as gold, silver, copper, and palladium.
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, the materials are concentrated using either dry or wet processes, and then transported to the Toyo Smelter & Refinery. At the Toyo Smelter & Refinery, these concentrated materials are smelted and refined simultaneously with other copper and precious metal raw materials, and are regenerated into high-purity precious metals.

■ **Precious Metal Recovery Flow Diagram**



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.



Realizing a Carbon Neutral Society

GRI 2-22 / 3-2 / 3-3

Background

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.

Strategies

The SMM Group published its revised roadmap for achieving carbon neutrality in 2023. In line with this roadmap, we will take steps to reduce GHG emissions as a strategy to mitigate climate change by promoting energy conservation, expanding the use of electricity from renewable energy sources, and developing technologies for innovative smelting processes. We will also work to create business opportunities and enhance our competitiveness by developing products (low-carbon contribution products) and technologies that help to reduce GHG emissions in all corners of society.

KPI/Target/Result

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**

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: end of FY2025	(Scope 1 and 2) 27% reduction compared to FY2015 (GHG emissions: 2,356kt-CO_2e) (Scope 3) Conducted a survey of major suppliers in Category1
Development of low-carbon smelting technologies	SMM Group	1. Development of hydrogen reduction technology for nickel oxide ore smelting	1. Laboratory-scale experiments to deepen the understanding of reduction behavior were conducted as planned
		2. Development of DLE (Direct Lithium Extraction) technology	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[2,3]	1.0 Mt-CO_2
Developing and supplying low-carbon contributing products	SMM Group	1. Development of hydrogen production catalyst	1. Development started as planned
		2. Development of cathode materials for all-solid-state batteries	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 CO_2 emissions of all products in operation in the assessment year (stock accumulation) and subtracting the CO_2 emissions of comparable products

3 We have recently revised our calculation methodology for certain customer products that use our near-infrared (NIR) absorbing materials, which are part of our low-carbon contribution products, with advice from external experts. Specifically, we shifted from calculations based on secondary data to an approach that utilizes primary data collected through interviews with our customers, with the aim of capturing our contribution to emissions reductions more accurately
As a result of this methodological change, we found that the amount of NIR absorbing material used per unit of a customer product (to achieve an effect equivalent to that assumed in the previous calculation) is lower than previously estimated
Consequently, the number of products using our NIR absorbing materials increased compared with the previous calculation, and our contribution to reducing GHG emissions across society also increased. In light of this, we are currently considering revising our FY2030 target based on the new calculation methodology

Emission Reduction for the Sumitomo Metal Mining Group

Realizing a Decarbonized Society

Climate Change-Related Financial Disclosure Information (Disclosures Pursuant to the TCFD)

Related Links

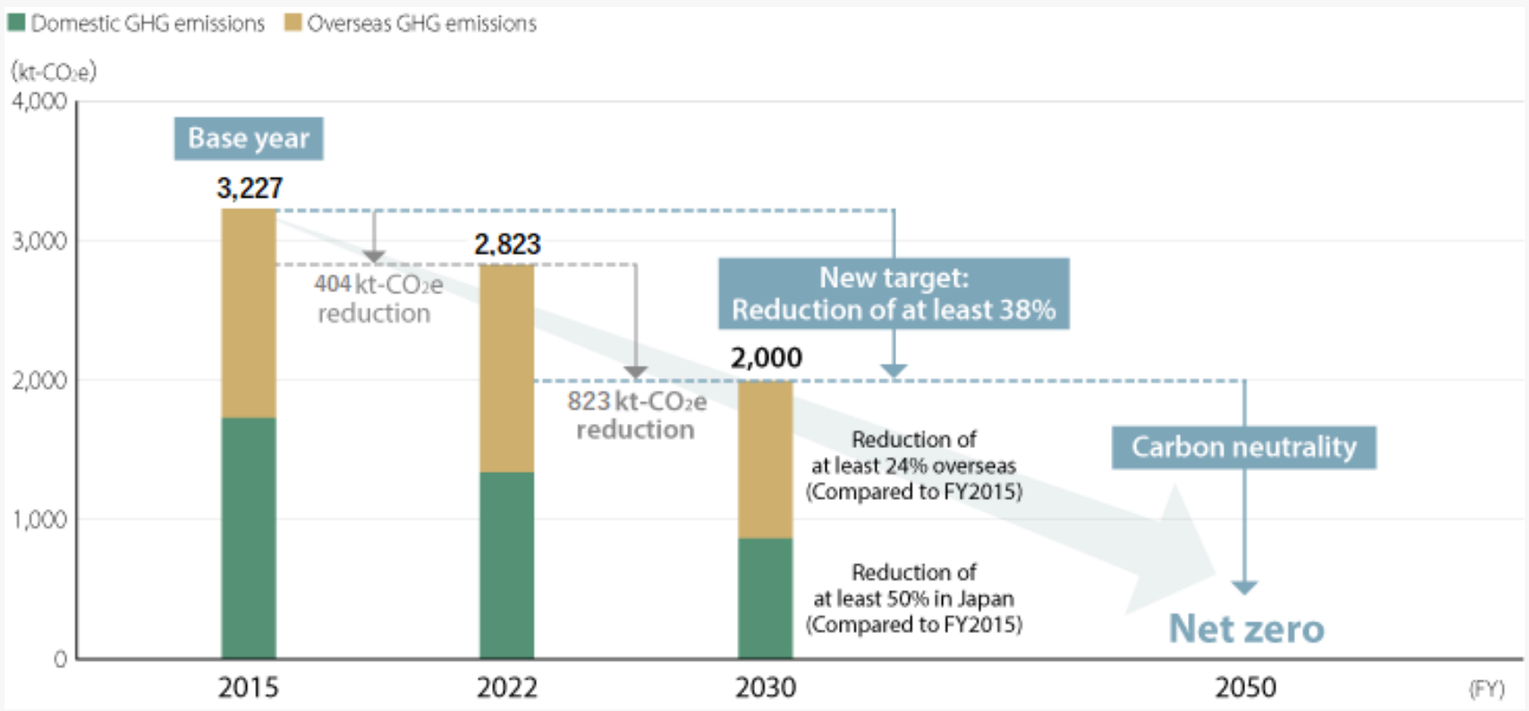
Environmental Data

Emission Reduction for the Sumitomo Metal Mining Group

Roadmap Toward Achieving Carbon Neutrality by 2050

With the aim of achieving net-zero GHG emissions in 2050, the SMM Group set reduction targets for FY2030, formulated a roadmap of action to take through 2050, and announced it in December 2023. The interim reduction targets for FY2030 are a reduction of at least 38% (at least 50% in Japan and at least 24% overseas) with FY2015 as the base year and emissions of no more than 2,000kt-CO_2.

■ Roadmap to Net-Zero GHG Emissions (as of December 2023 announcement)



Measures to Achieve Carbon Neutrality by 2050

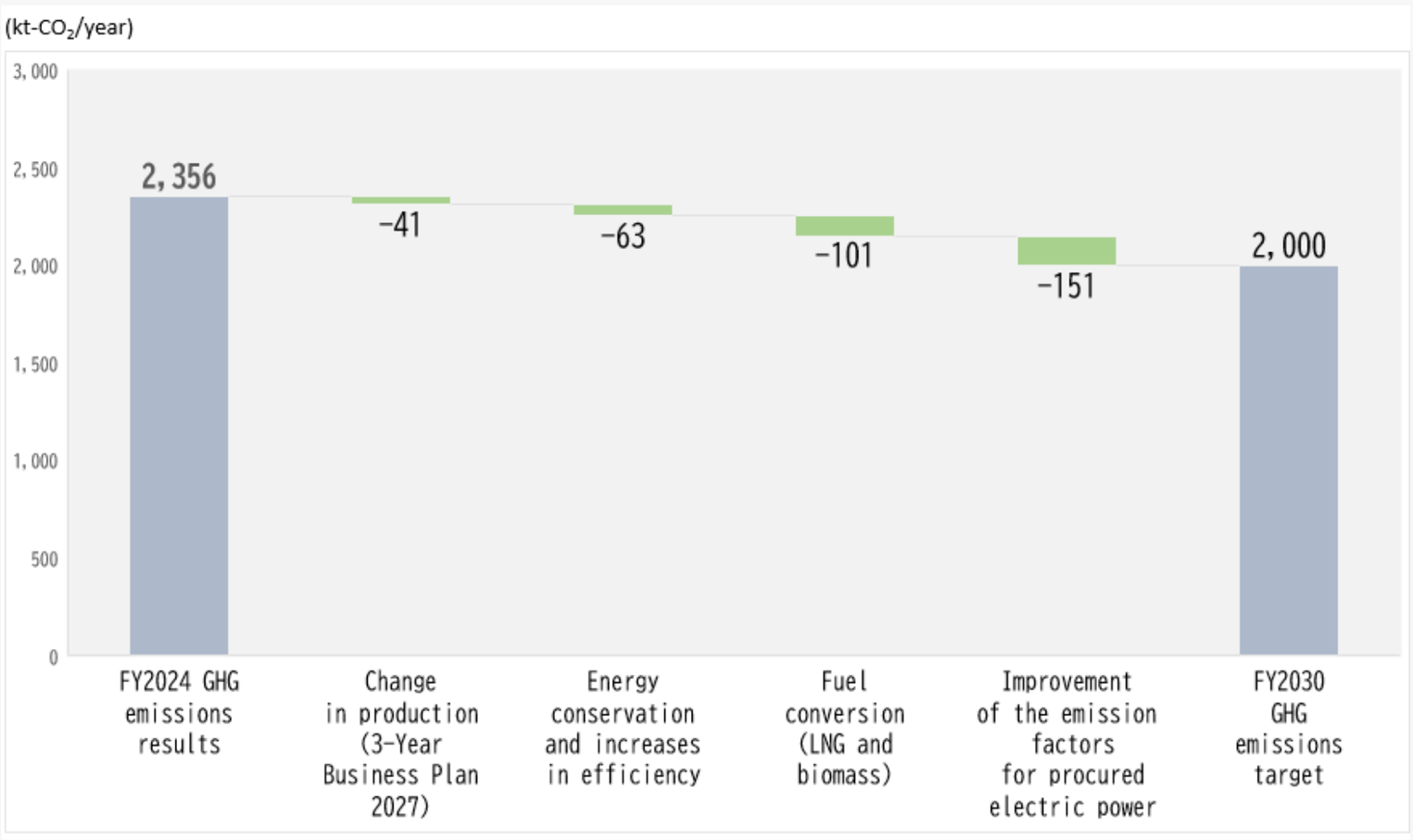
In the lead up to FY2030, we will take action to maximize the use of existing technologies including comprehensive energy conservation and increases in efficiency, fuel conversion of fossil fuels, and expanded introduction of renewable energy. To achieve carbon neutrality by FY2050, we will tackle the challenges of developing innovative technologies for smelting and refining processes, which are currently difficult to reduce emissions from. Based on the premise of innovation and social implementation of decarbonization technologies, we will also work to introduce new technologies such as next-generation energy and carbon dioxide capture and storage.

	Action up to FY2022	Action until FY2030	Action until FY2050
Process improvements	Energy conservation and increases in efficiency Reconstruction of production processes (Harima Refinery, Hyuga Smelting, and other sites)	**Maximum utilization of available technologies** Comprehensive energy conservation and increases in efficiency	
Energy transition	Transition from heavy oil to LNG (Isoura Plant and Niihama Nickel Refinery) Introduction of solar and geothermal binary power generation (Hishikari Mine, Ome District Division, and other sites)	Expansion of transition from heavy oil and coal to LNG and woody biomass fuel Electrification of equipment that uses heat Expanded introduction of renewable electric power Utilization of carbon credits	**Ongoing initiatives**
Improvement of the emission factors for procured electric power	Switch to renewable energy (Harima Refinery, Hishikari Mine)	Expanded use of renewable energy Use of renewable energy certificates	
Technology development	Exploratory and basic research	Pilot tests and verification tests	**Introduction of new technologies** Verification and practical implementation of innovative smelting and refining processes unique to SMM
Utilization of outside technologies		Investigation and preparation of new technology applications	Use of green hydrogen, green ammonia, and synthetic methane CO_2 separation, capture, and storage technology (CCUS)

Measures for Achieving FY2030 Targets

Regarding the FY2030 interim targets, based on the FY2024 results, we expect a reduction of 41 kt-CO_2e due to business plans, 63 kt-CO_2e through energy conservation and higher efficiency, 101 kt-CO_2e through fuel conversion, and 151 kt-CO_2e through improvement of the emission coefficient for procured electric power. We aim to achieve our FY2030 target of 2,000 kt-CO_2e, corresponding to a 38% reduction compared to FY2015.

■ GHG Emissions



GHG Emissions (Scope 1 and 2)

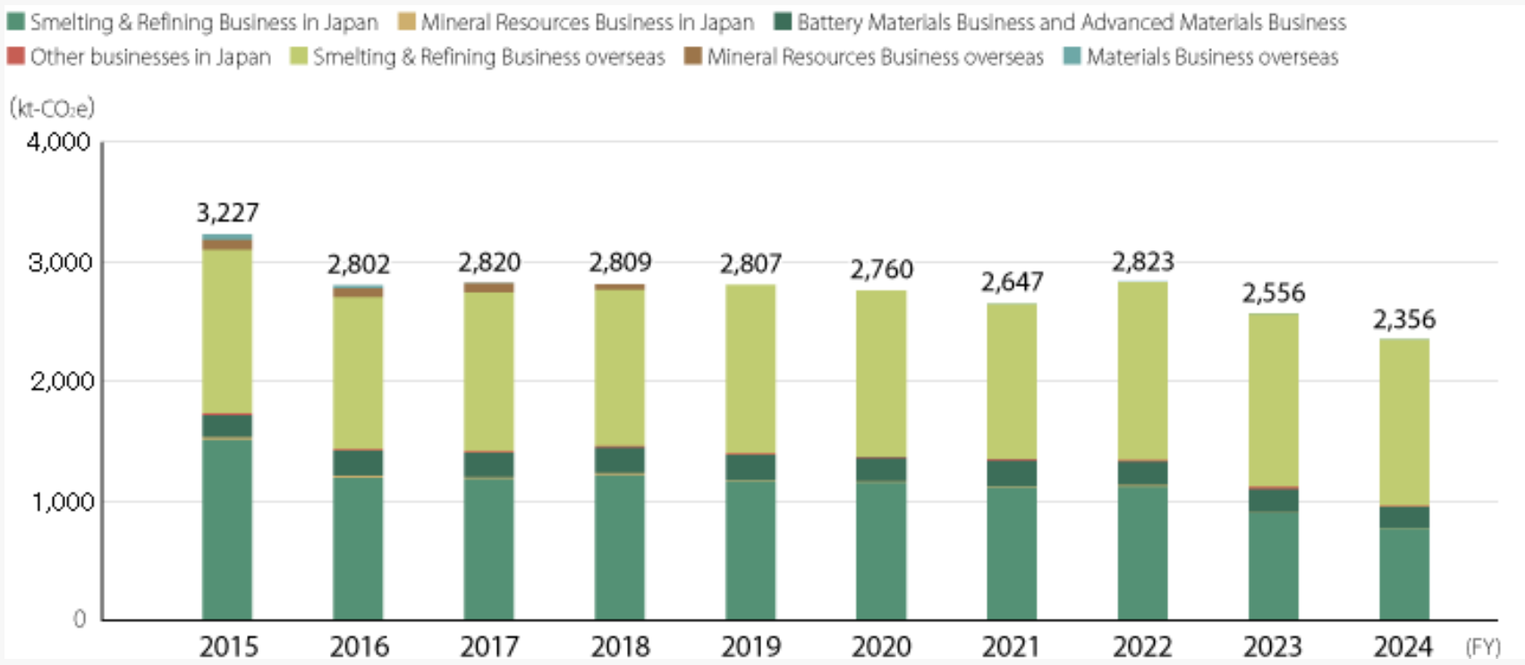
GRI 305-1 / 305-2 / 305-5

The SMM Group's GHG emissions in FY2024 were 2,356 kt-CO_2e, a year-on-year decrease of 200 kt-CO_2e resulting from a decline in production volume, fuel conversion from heavy oil to LNG, and improvement of the electric power CO_2 emissions coefficient. In addition, direct GHG emissions reductions from energy-saving measures and fuel conversion in FY2024 were 33kt-CO_2e. Additionally, the Kashima solar power plant operated by SMM helped to reduce emissions by 1.6 kt-CO_2e in FY2024.

We had published the trends of energy and GHG emissions intensity indices (reporting boundary: refining & smelting business in Japan) up to the Sustainability Report 2024. However, in light of the global movement—including Japan-toward reducing total GHG emissions, we have reviewed our KPI for GHG emissions intensity reduction and have decided to discontinue the disclosure of these trends starting from the 2025 report.

Scope 1: Direct GHG emissions generated by a business (due to fuel consumption, industrial processes, etc.)
Scope 2: Indirect GHG emissions generated through the use of electricity, heat, and steam supplied by other companies
Scope 3: Indirect GHG emissions not covered by Scope 1 or 2 (emissions from other companies with a connection to the business' activities)

■ GHG Emissions[1] (Scope 1 and 2)

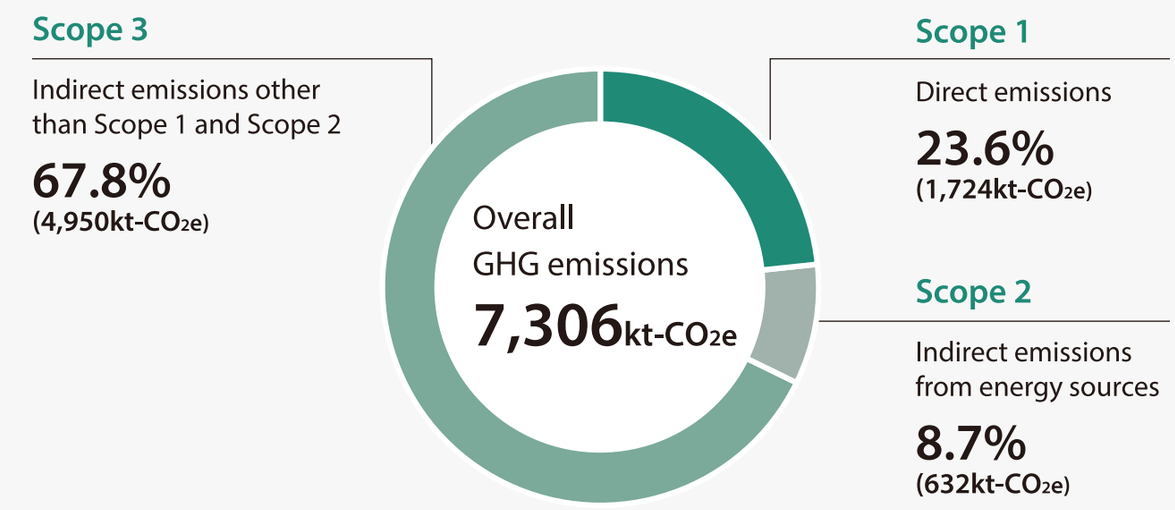


1 Figures are rounded to the nearest whole number, so totals may not match
The quantification of GHG emissions is subject to uncertainties in the measurement of activity data, in the determination of emission factors, and in the scientific determination of the global warming potential
Both Japan and 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 3 Measures

GRI 305-3

Our Scope 3 GHG emissions for FY2024 were 4,950 kt-CO_2e. 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. 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.



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

■ Scope 3 Emissions[1] and Percentage of Overall Emissions

Category	Reporting boundary	Emissions ($kt\text{-}CO_2e$)	Percentage	Calculation method
Total Scope 3		4,950	67.8%	
1 Purchased goods and services	SMM Group	4,262	58.3%	Σ (weight of key raw materials x emissions intensity)[2]
2 Capital goods	SMM Group	431	5.9%	Σ (amount of capital expenditures x emissions intensity x 1.05)[3] Capital expenditures include construction in progress, used equipment, and intragroup transactions
3 Fuel- and energy-related activities not included in Scope 1 or Scope 2	SMM Group	226	3.1%	Σ (electricity and fuel consumptions x emissions intensity [electricity[3], fuel[2]])
4 Upstream transportation and distribution	Reference for Calculation method	20	0.3%	Emissions from domestic transportation are calculated based on the Japanese laws the “Act on Rationalizing Energy Use” and “Act on Promotion of Global Warming Countermeasures.”
5 Waste generated in operations	SMM Group - Japan	7	0.1%	Σ (amount of waste by type (major sites in Japan) x emissions intensity by waste type)[3]
6 Business travel	SMM Group - Japan	1	0.0%	Σ (number of employees (major sites in Japan) x emissions intensity)[2]
7 Employee commuting	SMM Group - Japan	3	0.0%	Σ (number of employees (major sites in Japan) x number of business days x emissions intensity)[3]
8 Upstream leased assets	—	Not applicable[4]	—	—
9 Downstream transportation and distribution	—	Not applicable[5]	—	—
10 Processing of sold products	—	Not applicable[5]	—	—
11 Use of sold products	—	Not applicable[5]	—	—
12 End-of-life treatment of sold products	—	Not applicable[5]	—	—
13 Downstream leased assets	Reference for Calculation method	0.1	0.0%	Σ (electricity and gas consumption by tenants of the Head Office building x emissions intensity)[6]
14 Franchises	—	Not applicable[7]	—	—
15 Investments	—	Not applicable[8]	—	—

1 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

2 For emissions intensity, we used values from the National Institute of Advanced Industrial Science and Technology’s IDEA Ver. 3.5 (IPCC2021 without LULUCF AR6)

3 For emissions intensity, we used values from the Database for Calculating GHG Emissions of the Supply Chain, (Ver. 3.5), prepared by the Ministry of the Environment and the Ministry of Economy, Trade and Industry in Japan

4 Not applicable as it is included in calculations of Scope 1 and 2 emissions

5 This category is not applicable because it is difficult to calculate emissions since our products are mainly non-ferrous metals and highly advanced materials, which have diverse applications after sales destinations, and each application has different GHG emission characteristics

6 Emissions intensity was calculated based on the list of calculation methods and emission factors of the Ministry of the Environment’s Greenhouse Gas Emissions Calculations Reporting and Publication System

7 Not applicable as we do not operate any franchise businesses

8 Not applicable as it is the disclosure of information on investments for profit

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 change to non-fossil fuel 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.

ICP price	Investment projects subject to ICP[1]	Anticipated CO_2 emissions reduction[2]
JPY20,000/t-CO_2	65	157kt-CO_2/year

1 Covers investments for which the application of the system was decided between FY2021 and FY2024

2 Projected CO_2 reductions are calculated based on normal operating conditions. As this includes investments that will be implemented from FY2024 onward, the period in which effects manifest and the period in which application was decided are not concurrent

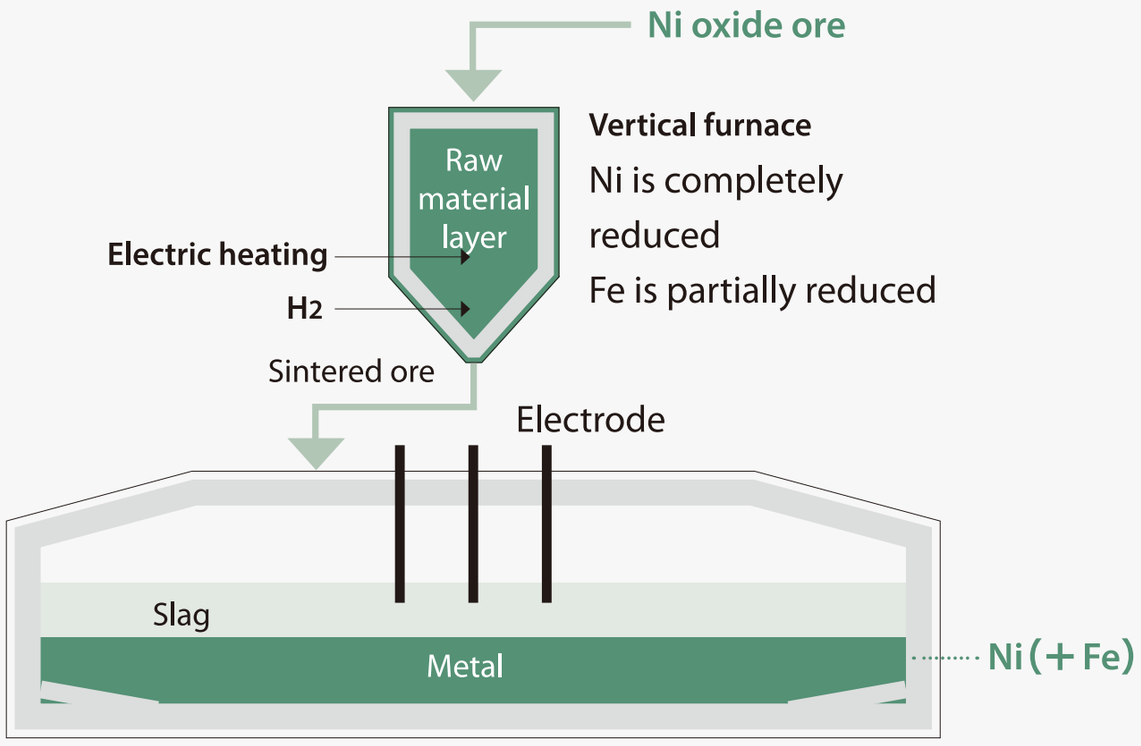
- Fuel transition from heavy oil to LNG with low CO_2 emissions, boilers at the Niihama Nickel Refinery and Isoura Plant, steam heating equipment and drying equipment at the Toyo Smelter & Refinery, and other equipment are being converted in stages from heavy oil to LNG, cutting CO_2 emissions by 20% to 30%.
- Utilization of biomass as an alternative to fossil fuels
  At Coral Bay Nickel Corporation and Taganito HPAL Nickel Corporation, woody biomass co-firing tests in coal-fired power generating facilities (in-house power generation) have been underway since FY2023. From FY2024, we also began co-firing tests with biomass in kilns at Hyuga Smelting Co., Ltd. and Shisaka Smelting Co., Ltd. Going forward, we will address issues such as stable operation when the biomass co-firing ratio is increased and the stable procurement of biomass required for substitution and will continue to promote CO_2 reduction through the use of biomass.
- Switch to Electricity Generated with Renewable Energy for Procured Electric Power
  The SMM Group is switching in stages to electricity generated with renewable energy at domestic sites. In FY2024, Hyuga Smelting Co., Ltd., Shinko Co., Ltd., SMM Precision Co., Ltd., and GRANOPT Co., Ltd. have switched to renewable energy for all or part of their electricity consumption, and 68% of the electric power purchased from general electricity transmission and distribution utilities has become renewable energy. We will continue to promote the transition with the aim of achieving 100% renewable energy for all procured electricity by FY2030.

Development of Innovative Smelting and Refining Processes

For the Group to achieve carbon neutrality by 2050, it will be necessary to make improvements to innovative smelting and refining processes that dramatically reduce GHG emissions in the smelting and refining business, a main source of GHG emissions. To this end, we are developing new low-carbon nickel smelting and refining technologies, including the development of hydrogen reduction technology for nickel oxide ore smelting, as well as direct lithium extraction methods for recovering lithium from salt lakes.

Hydrogen reduction method

This recovery method recovers reduced nickel metal from nickel oxide ore using hydrogen, which had been considered difficult in the past. By investigating the feasibility through fundamental testing, we achieved the target of recovering reduced nickel metal. We are currently developing the process as a whole, including investigation of equipment to achieve recovery, and aim to start pilot testing by 2030.



Reduction of Total Volume Using Hydrogen

- Complete carbon neutrality with zero GHG emissions
  —Target nickel recovery rate achieved in basic tests

Lithium Recovery from Salt Lakes (Direct Lithium Method)

The conventional lithium recovery process used large volumes of chemicals that generate large amounts of CO_2, such as hydrated lime, but we developed a new direct lithium extraction (DLE) technology that uses small amounts of absorbents to selectively recover lithium, which leads to reduced CO_2 emissions.
We are currently verifying the reliability of the process at a pilot plant installed in Chile, South America, improving the absorbent with the aim of completion by FY2030.

Realizing a Decarbonized Society

Development of Products Contributing to a Low-Carbon Society

We are developing products that contribute to a low-carbon society in order to achieve a carbon neutral society by 2050.
We are developing cathode materials for next-generation lithium-ion solid-state batteries used in EVs that can contribute to reducing greenhouse gas emissions as well as hydrogen production catalysts that are essential when manufacturing hydrogen in a hydrogen-based society and other materials.

Development of Hydrogen Production Catalyst

There are high expectations for hydrogen as a clean energy source, and the realization of a hydrogen society will contribute to global warming countermeasures and improved energy self-sufficiency. To do this, high-performance catalysts that can produce and supply hydrogen efficiently and at low cost will be essential. The Company is developing nickel-based catalyst materials and is using core technologies, such as powder synthesis and surface treatment, with the objective of supplying high-performance, low-cost hydrotreating catalysts materials.

Development of Cathode Materials for Solid-state Batteries

As EV markets grow, demand for high-performance lithium-ion batteries (LIB) including solid-state batteries is increasing. The Company is leveraging its development and mass production experience with cathode materials for high-capacity automotive batteries and non-ferrous metal smelting and refining technologies accumulated until now with the aim of achieving stable supplies of cathode materials for solid-state batteries. We are currently developing next-generation cathode materials, including cathode materials for high-performance and low-cost solid-state batteries, and conducting demonstration tests of manufacturing processes. In addition, with the objective of reinforcing research and development foundations, we are introducing pilot equipment and constructing a second development building at the Battery Research Laboratories where that equipment will be housed, with completion scheduled for December 2025. These facilities are receiving subsidies under the Green Innovation (GI) Fund Project of the Ministry of Economy, Trade and Industry.

Providing Products That Contribute to a Low-Carbon Society

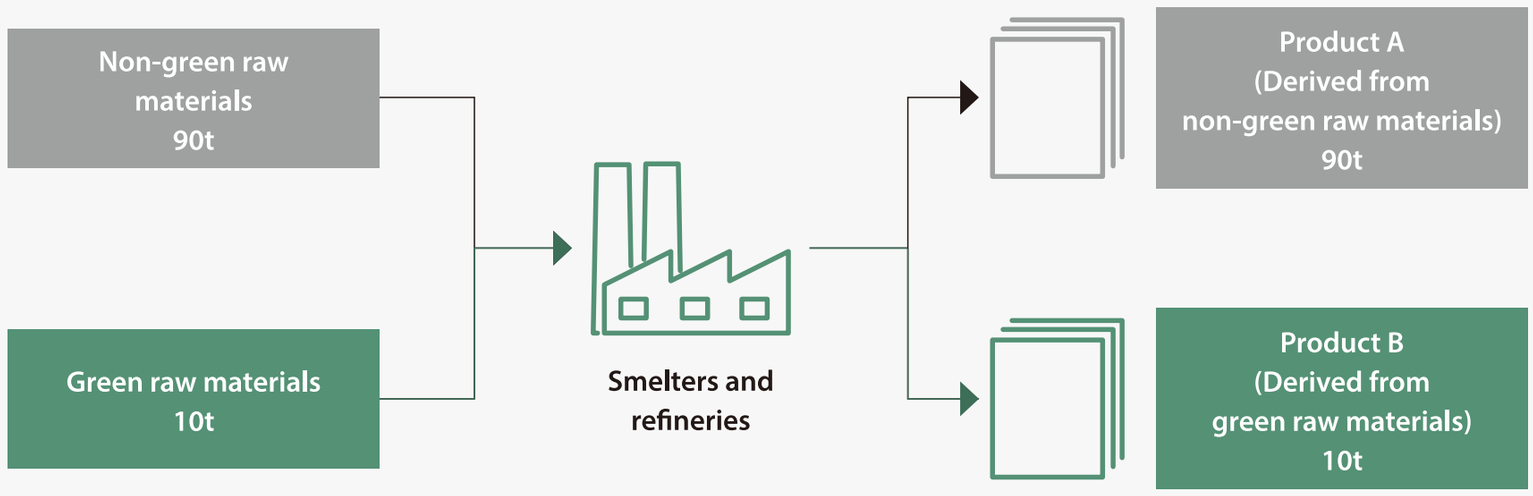
Among the SMM Group's products, we position those products that contribute to reducing GHG emissions as low-carbon products, and the Group places the highest priority on contributing to reducing GHG emissions throughout society by developing these products and expanding business.
Our current target is to contribute to a reduction in GHG emissions of at least 1,100kt-CO_2 through low-carbon products by 2030. The GHG reduction contribution in FY 2024 was 1,000kt-CO_2.
We will actively work on the technological development of catalyst materials for hydrogen production and cathode materials for all-solid-state batteries, as well as the expansion of business for existing low-carbon products.

Green Metal Concept Using a Mass-Balance Approach

Regarding the SMM Group's electrolytic copper, we plan to secure a third-party guarantee of the validity of our carbon footprint (CFP) calculations and chain of custody (CoC) and obtain certification so that we can provide low GHG emissions electrolytic copper (green copper) using a mass-balance method.[1] In FY2025, we plan to investigate obtaining a third-party guarantee of our CFP calculations for other metals as well.

1 An approach allocating certain characteristics to a portion of a product to be produced in accordance with the input ratios of raw materials with certain characteristics in cases where materials with different characteristics are used in combination

■ Schematic Diagram of the Mass-Balance Approach[1]



1 Diagram prepared by making reference to the following source:
Ellen MacArthur Foundation, “Enabling a Circular Economy for Chemicals with the Mass Balance Approach”

Climate Change-Related Financial Disclosure Information (Disclosures Pursuant to the TCFD)

GRI 3-3

In February 2020, the SMM Group became a supporter of the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD provides recommendations to support companies in the identi. cation and disclosure of the financial impact of climate-related risks and opportunities. The SMM Group discloses climate-related financial information in line with the core elements of the TCFD recommendations.

Governance

The identification of the SMM Group's material issues related to sustainability, including climate change, and the setting of quantitative and measurable KPIs are decided after discussions by management at the Board of Directors. The SMM Group's climate change risks, opportunities, and strategies are incorporated into 3-Year Business Plans, annual budgets, KPIs, and targets, and are decided on by the Board of Directors. The Carbon Neutrality Committee meets regularly to deliberate on and manage climate change-related matters pertaining to the Group. Initiatives and performance in regard to KPIs and targets are then reviewed by the Sustainability Committee chaired by the president, and an overview is reported to the Board of Directors.

Strategy

Short-, medium-, and long-term climate change risks and opportunities that could have a major impact on the Group's business, strategy, or finances based on analysis of climate change scenarios that anticipate various changes in the external environment, including regulatory changes, technological progress, market changes, and natural disasters, are identified. We then consider the impact of each of these on business and strategy in each area, such as products and services, R&D investment, operations, and GHG emission reduction and response measures. Based on the results of this analysis, we formulate Group strategies for each climate change risk and opportunity, and these are reflected in 3-Year Business Plans. These strategies are also discussed by the Carbon Neutrality Committee and reviewed by the Sustainability Committee.

Climate Change Scenario Analysis

GRI 201-2

The SMM Group has been analyzing the 1.5°C and 4°C scenarios for identifying the medium- to long-term impacts of climate change on the Group's business and investigating and preparing countermeasures since FY2021.
In FY2024, based on our climate change scenario analysis, we formulated the 3-Year Business Plan for 2027 and revised our Vision for 2030.
In FY2025, based on our previous climate change scenario analysis and changes in the social landscape, we will proceed in preparation for the renewal of our climate change scenario analysis.

1.5°C Scenario

A scenario in which strict climate change measures are implemented and the temperature rise at the end of this century is limited to less than 1.5°C compared to pre-industrial levels

- Increased carbon tax burdens and stricter CO_2 emission regulations
- Tighter regulations concerning a circular economy
- Increased demands for low-carbon and decarbonized products from customers and consumers
- Intensified competition in the development of mineral resources
- Spread and expansion of electric vehicles and fuel cell vehicles

- Increased electri. cation demand and the use of renewable energy as a main power source
- Progression of digitalization

Reference scenarios

- IEA, World Energy Outlook 2022
- IEA, Global EV Outlook 2022
- IPCC, special report “Global Warming of 1.5°C” (2018)
- Ministry of Economy, Trade and Industry, Sixth Strategic Energy Plan (2021)
- Cabinet Secretariat and others, Green Growth Strategy Through Achieving Carbon Neutrality in 2050, etc.

4°C Scenario

A scenario in which additional climate change countermeasures beyond the current status are not implemented, and the temperature rise at the end of the century is approximately 4°C compared to pre-industrial levels

- Sea level rise, higher atmospheric and ocean temperatures
- Increases in abnormal weather, such as heat waves, extreme rainfall, large typhoons, droughts, and severe disasters in the 20-year and 100-year projections

Reference scenarios

- IPCC
  Integrated Report of the Sixth Assessment Report (2023)
- IPCC
  Working Group II contribution to the Sixth Assessment Report (2022)

Degree of impact. High impact: 10 billion JPY or more annually; medium impact: one billion JPY to 10 billion JPY annually
Occurrence period. Medium-term: Through about 2030; Long-term: Through about 2050

Scenario	Category		Driver	Impact on business	Degree of impact	Occurrence period	SMM Group approach (response measures)
1.5°C scenario	Transition risks	Policy and regulations	Introduction of carbon pricing (carbon taxes, emissions trading, fossil fuel surcharges, European carbon border adjustment mechanism)	● Carbon tax burdens ● Emissions trading cost burdens ● Increased fuel costs due to fossil fuel surcharges	Large	Medium to long term	**Comprehensive energy conservation and higher efficiency** Improvement of energy use intensity by an average of 1% or more annually **Energy transition** Electrification of heat source equipment Transition from coal and heavy oil to liquified natural gas (LNG) and development of procurement structures to secure LNG Development of procurement structures for co-firing of coal and wood pellets and securing wood pellets Technology development for use of new fuels (hydrogen, ammonia, synthetic fuels) (long term) **Increased use of renewable electricity** Expanded introduction of in-house solar and wind power (on-site and off-site PPA[2]) Expanded transition to renewable energy (including use of non-fossil fuel certificates) Development of technology for use of stored electricity systems (long term) **Technology development** Development of technology to improve recycling Development of technology relating to innovative smelting processes Development of technology for use of carbon dioxide capture and storage (CCS)[3](long term) **Securing mineral resources and raw materials** Securing stable supplies of copper and other resources from mines in which the Company holds interests Collecting information taking into consideration resource nationalism
			Stricter energy-saving and decarbonization regulations (European battery regulations)	● Increased costs for energy-saving, high-efficiency, and electrified equipment ● Increased electricity costs due to use of renewable energy ● Intensified competition to procure renewable energy	Large	Medium to long term	
			Tighter regulations concerning a circular economy (Ecodesign for Sustainable Products Regulation, European (EU) Battery Regulations)	● Increased raw material costs due to the use of recycled raw materials ● Intensified competition to procure recycled raw materials	Large	Medium to long term	
		Markets	Higher requirements for low-carbon and de-carbonized Company products (copper, nickel, battery cathode materials, etc.)	● Increased energy costs due to energy transitions ● Intensified competition among products with low carbon footprint of product (CFP)[1] (decreased sales of high CFP products) ● Aging of existing products and technologies, increased technology development costs	Large	Medium to long term	
			Rising excessive resource nationalism in resource-producing countries (copper, nickel, lithium, cobalt, etc.)	● Increased costs due to stricter imposition of taxes and higher royalties ● Shortages of raw materials due to prohibitions on the export of ores and intermediate raw materials ● Intensified competition for acquisition of mining interests	Large	Medium to long term	
	Opportunities	Policy and regulations	Spread and expansion of electric vehicles	● Increased sales of battery cathode materials, nickel and cobalt included in cathode materials, and copper used in wire harnesses and drive motors	Large	Medium to long term	**Continuous operating improvements** Maintenance of stable operations Improved productivity and cost competitiveness **Promotion and expansion of new business** Commercialization of battery recycling Commercialization of SiC substrates Introduction of near-infrared absorbing materials into new markets **Implementation of large-scale projects for increasing production of battery materials** **Technology development** Increased pace of technology development to enhance the performance of automotive battery cathode materials (nickel-based) Development of technology for new processes for lithium-ion phosphate (LFP) cathode materials Development of technology for functional materials suitable for automotive electronic devices, 5G smartphones, and the Internet of things (IoT) Development of technology for hydrogen manufacturing-related materials **Securing mineral resources and raw materials** Securing stable supplies of copper and other resources from mines in which the Company holds interests Acquisition of interests in and development of new high-quality mines
			Increased demand for electricity, expansion of electric power grids	● Increased sales of copper used in transmission lines and transformers ● Increased sales of silicon carbide (SiC) substrates used in high-efficiency power semiconductors	Large	Medium to long term	
			Use of renewable energy as a main power source	● Increased sales of copper used in wind power motors and transformers ● Increased sales of battery cathode materials, nickel, and cobalt used in storage cells for controlling variation in renewable energy	Large	Medium to long term	
		Markets	Enhanced performance of electronic devices for the use of digital technologies	● Development of technology for and increased sales of high-performance materials used in electronic devices	Medium	Medium to long term	
			Development of next-generation materials	● Development of hydrogen manufacturing catalyst, artificial photosynthesis catalysts, and fuel cell materials and expansion of new business	Medium	Medium to long term	
4°C scenario	Physical risks	Chronic	Sea level rise	● Decreased functionality of ports and backlands (coastal plants, etc.) and intensification of damage to facilities due to high tides and flooding during rain storms ● Increased recovery costs and increased facility countermeasure costs	Large	Long term	**Reinforced adaptation measures** Securing alternative ports Environmental improvement of hot workplaces (heatstroke countermeasures) Expansion of business continuity plans (BCP) Responses to the Global Industry Standard on Tailings Management (GISTM) Diversification of suppliers, reinforcement of relationships with suppliers, securing alternative transportation routes, and securing inventories and alternative raw materials
			Temperature rise	● Decreased productivity due to heat stress in hot workplaces ● Increased incidence of heat stroke ● Increased facility countermeasure costs	Medium	Long term	
		Acute	Increases in abnormal weather, such as heat waves, extreme rainfall, large typhoons, and droughts in the 100-year projection	● Intensification of rainstorms, flooding, and landslides ● Loss of business opportunities due to damage to production equipment and production stoppages ● Increased recovery costs and increased facility countermeasure costs	Medium	Medium to long term	
				● Demands for large amounts of compensatory damages for damage caused by tailings dam overflow and collapse ● Increased insurance premiums ● Increased recovery costs and increased facility countermeasure costs	Large	Medium to long term	
				● Business interruption and cessation of operations due to disruption of supply chains ● Loss of business opportunity due to suspension of production	Medium	Medium to long term	

1 Carbon footprint of products (CFP): Emissions per unit of products
2 On-site and off-site PPA: On-site PPA the supply of electricity by a powered generating company by installing solar power generation equipment on land owned by another company, and off-site PPA is the installation of solar power generating equipment outside of the company’s premises and transmitting the electricity to the company via the electric power grid
3 Carbon dioxide capture and storage (CCS): Technology for separating and collecting carbon dioxide and storing it underground or in other locations

Climate Change Scenario Analysis (PDF: 2.4MB)

Risk Management

The climate change risks identified through scenario analysis are monitored and measured by the Carbon Neutrality Committee, which also takes corrective measures and revises strategies when necessary, and are reviewed by the Sustainability Committee. Climate change risk is also controlled by the Group’s risk management system and Risk Management Working Group, based on consideration of the impact on other individual risks such as occupational accidents, environmental pollution, quality failures, and legal violations.

Metrics and Targets

The SMM Group has set the target of reaching net-zero GHG emissions by 2050. Also, we have formulated a roadmap for achieving carbon neutrality by 2050, and have set the interim target of reducing GHG emissions by 38% compared to FY2015 levels by FY2030. Additionally, we have set and are promoting initiatives to reach KPIs and targets for contribution

to reducing GHG emissions at a society-wide level through the supply of secondary battery cathode materials for use in automobiles and near-infrared absorbing materials produced by the Group.

KPI and Results

1 GHG emissions

Scope 1 and 2

FY2030 Target: 38% reduction compared to FY2015 (Breakdown: 50% in Japan, 24% overseas)

FY2024 Results: 27% reduction compared to FY2015 (GHG emissions: 2,356 kt-CO_2)

Scope 3

FY2030 Target: Understanding current situation and setting goals: end of FY2025

FY2024 Results: Conducted a survey of major suppliers in Category 1

2 Develop low-carbon smelting technologies

(1) FY2030 Target: Development of hydrogen reduction technology for nickel oxide ore smelting
FY2024 Results: Laboratory-scale experiments to deepen the understanding of reduction behavior were conducted as planned

(2) FY2030 Target: Development of DLE (Direct Lithium Extraction) technology
FY2024 Results: Improvement of adsorbent's durability

3 Amount of GHG emissions reduction contributed by low-carbon contributing products

FY2030 Target: 1.1 Mt-CO_2

FY2024 Results: 1.0 Mt-CO_2

4 Developing and supplying low-carbon contributing products

(1) FY2030 Target: Development of hydrogen production catalyst
FY2024 Results: Development started as planned

(2) FY2030 Target: Development of cathode materials for all-solid-state batteries
FY2024 Result: Development is progressing largely as planned

Conservation and Restoration of Nature

GRI 2-22 / 3-2 / 3-3

Background

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.

Strategies

The SMM Group recognizes that its business activities, which include resource development and smelting, are dependent on nature. With this recognition, we will seek to identify and respond to nature-related risks and opportunities in the hope of avoiding or minimizing the adverse impacts of our business activities on nature.
In particular, we will take preemptive action to ensure that we do not cause any serious environmental accidents that could result in the loss of nature, such as accidents involving tailings dams or mining development.

KPI/Target/Result

Vision for 2030 **A company that contributes to a nature-positive future**

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	1. Number of significant environmental accidents: zero
		2. Maintaining compliance with Global Industry Standard on Tailings Management	2. Confirmed compliance with Global Industry Standard on Tailings Management

Initiatives

Identification and Management of Nature-Related Risks and Opportunities

Environmental Management System

Tailings Dam Management

Management and Reduction of Chemical Substances

Environmental Impact of Business Activities (Material Flow)

Related Links

Environmental Data

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, the International Council on Mining and Metals (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 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).

Responses to Risks (Reducing the Environmental Impact of Constructing New Plants)

When constructing the Coral Bay Nickel Corporation (CBNC) and Taganito HPAL (THPAL) refineries in the Philippines, we sought adequate dialogue with the Philippine government, local authorities and local citizens right from the planning stage and made efforts to construct plants that would have a minimal impact on the environment. For example, the pier used to deliver sulfuric acid and methanol to the plant was made to circle around the coral reef, and wastewater outlets were also positioned to ensure the reef's protection.

Both companies have established an Environmental Management Office (EMO) as a department responsible for environmental management activities.

Environmental surveys are conducted by the EMO, and regular sampling of water quality, air, and flora and fauna is carried out by a team consisting of the Department of Environment and Natural Resources, local authorities, and NGOs. The EMO is a department within companies or business establishments that is specialized in environmental management activities.

Its main roles are to monitor and assess the environmental impacts of business operations, and to plan, implement, and manage measures for environmental conservation and legal compliance. With this sort of environmental monitoring, we check that the construction and operation of plants do not have serious impacts on the ecosystem, while keeping environmental impacts from wastewater and other factors to a minimum.

Through our efforts in this area, CBNC and THPAL have been awarded the Philippines DENREMB's Presidential Mineral Industry Environmental Award (PMIEA) 10 times and three times, respectively, between 2014 and 2024.

For the construction of the new Niihama CAM Plant, which began commercial production of battery materials (cathode materials) for automotive lithium-ion batteries in January 2025, we held repeated consultations and collaborated with Ehime Prefecture and Niihama City to ensure legal compliance and adopted construction methods to reduce environmental impact. Specifically, since the new Niihama CAM Plant is located on a coastal landfill area with abundant groundwater, the casing method was adopted for pile driving and excavation to reduce the impact on groundwater contamination. In addition, all construction wastewater and surplus soil were checked and disposed of appropriately.

As a concept for the plant itself, we prioritized low energy consumption and GHG reduction. More than 10,000 m^2 (1,000 kW) of solar panels were installed on the three main buildings, and LNG gas, which has relatively low CO_2 emissions, is used as an energy source. Furthermore, to reduce the energy used for transportation by forklifts and trucks within the plant, the layout was designed to minimize transportation distances, and all inter-plant transportation is carried out by pneumatic conveying.

Water Use Management (Risk Management)

GRI 303-1

Water is a shared resource of local regions and is closely connected to the lives of local residents and communities, as well as to the surrounding ecosystem. In addition to identifying water risks using WWF Water Risk Filter and then reducing those risks, our Group gives consideration to local communities and the environment in areas where we use water and is working with a sense of responsibility to make good use of the limited water resources.
Coral Bay Nickel Corporation (CBNC) in Palawan Island, the Philippines, makes effective use of water resources because the area is prone to water shortages during the dry season. For example, they treat supernatant water that accumulates in tailings facilities at recycling facilities and then reuse the water in their smelting and refining processes. The Company also supplies this water as industrial water to lime slurry producers, who are suppliers for The Company. Furthermore, CBNC provides, maintains, and manages water supply equipment and delivers drinking water using tanker trucks as necessary as part of its water-related contributions to local communities. In addition, a team that consists of members from the Environmental Management Office (EMO), the department that conducts environmental management activities for the Company, local governments, NGOs, and other entities, strives to reduce the environmental effects of discharge by conducting regular water quality tests to determine if plant operation is having a major impact on water in the surrounding area.
The SMM Group also completes an annual CDP water security questionnaire regarding its water management. In FY2023, we established the Sumitomo Metal Mining Group Water Policy, announced it internally and externally, and informed employees about the policy.

Example Initiatives

- Prevention of excessive water withdrawal by understanding the amounts of withdrawal by source
- Reduction of water withdrawal and discharge amounts by promoting the use of recycled and reused water
- Promotion of effective use of water by understanding water balance and optimizing our amounts used
- Reduction of environmental impact by reducing amounts of hazardous chemical substances in effluent discharged into water
- Promotion of preservation of biodiversity through aquatic life monitoring surveys near our business sites
- Promotion of infrastructure development in areas where access to water is difficult

Environmental Management System

GRI 3-3

Based on our Group's progress toward environment-related material issues and our Vision for 2030, the Safety & Environment Control Department formulates a proposal for the Group's environmental targets (policies, objectives, strategies), which are reviewed and approved by the president. At each business site, annual targets and plans are developed based on the Group's environmental targets, considering the unique risks of each site, and are carried out through the environmental management system (EMS) based on ISO 14001 (JIS Q 14001). As of April 1, 2025, all our production sites have obtained third-party ISO 14001 certification.

Through the EMS, each business site conducts activities on a regular basis to improve the level of environmental management through the PDCA cycle. Such activities include evaluations of the effect on the environment of the business' activities (environmental risk assessment), formulation of action plans for achieving environmental targets, preventive environmental preservation activities, tracking through internal and third-party audits, management reviews, and emergency response training in case of accidents.

Environmental Targets for FY2024

GRI 3-3

Policy

Use an environmental management system (EMS) to strengthen environmental management, prevent environmental problems, and address global environmental issues.

Environmental Targets for FY2024

- Eliminate environmental accidents and compliance breaches
- Reduce greenhouse gas (GHG) emissions
- Promote preservation of nature that creates biodiversity

FY2024 Initiatives

In FY2024, we implemented management improvements using a risk management system (RMS) and an environmental management system (EMS) including inspections by the General Manager of Safety & Environmental Control Department, training for newly appointed business site general managers, environmental communication, and dissemination of information through the REC (Risk Environment Compliance) e-newsletter used to periodically distribute information within the Company concerning the environment, quality, and compliance. Each site set a target of enhancing their ability to respond to environmental problems and took measures in accordance with their individual business site plans using management systems. As a result, in FY2024 there were no significant environmental accidents or legal violations that had a substantial impact on the environment or society.

Environmental Education for Employees

We conduct training including education on laws and regulations and environmental management using e-learning and other means, education to develop EMS internal auditors, and rank-specific environmental management education (for newly appointed business site general managers, environmental personnel, new employees, mid-career hires, etc.) to enhance environmental management levels.

■Environmental Education

Targeted employees	Environmental education activities	Purpose, content
Business site general managers	Education of newly appointed business site general managers Periodically send out information	Promote understanding of the importance of the relationship between corporations and the environment and raise self-awareness and environmental awareness as the business site general manager Provide information about revisions of laws and important precedents by a periodical e-mail magazine
Managers and supervisors	Environmental e-learning (Environmental Laws, Basic)	Understand the spirit and idea of Japan's laws, and understand Japan's statutory standards and mandatory notification procedures
Internal auditors	EMS Internal Auditor Training Course	Training of internal auditors for EMS with qualifications conforming to ISO 14001 (2015)
Managers	Education about environmental preservation	Provide information about the SMM Group's environmental preservation initiatives and raise self-awareness
Environment managers	Conference for environment managers Periodic education about the Chemical Substances Control Law[1]	Improve knowledge of Japan's environmental laws and regulations, enhance environmental management capabilities, raise self-awareness; check the outline of Act on the Regulation of Manufacture and Evaluation of Chemical Substances and information on revisions, impart knowledge about preventing omissions of notification, and raise self-awareness
Sales representatives	Explanatory meeting: overseas chemical substance regulations	Impart knowledge to sales representatives about overseas chemical substance regulations and raise their self-awareness
New and midcareer hires	Education about environmental preservation for mid-career hires Education about environmental preservation for new employees	Impart knowledge about the SMM Group's environmental preservation initiatives and raise self-awareness

1 Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc.

Tailings Dam Management

Management of Operated Tailings Facilities

GRI 306-1 / 306-2 / G4-MM3

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 various measures to prevent significant environmental accidents at closed mines that our Group manages in Japan, and tailings facilities managed by CBNC and Taganito HPAL (THPAL) in the Philippines. We also disclosed information concerning high-risk tailings facilities in accordance with the provisions of the GISTM, established a working group under the Nature Conservation and Restoration 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 in order 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 high-risk tailings dams for which we had disclosed information, we also confirmed that all the tailings dams subject to disclosure managed by the SMM Group (17 facilities) are GISTM-compliant, and disclosed information accordingly.

Rehabilitation

GRI 306-1 / 306-2

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

CBNC has three tailings facilities and THPAL has one. The first CBNC tailings facility reached its storage capacity and completed its role, and accordingly, we are rehabilitating the site to establish an independent and sustainable ecosystem. Many local residents and indigenous people are involved in this work, and rehabilitation plays an important role in creating local employment. In addition, we conduct regular monitoring, and safe and effective management of tailings facilities throughout their lifecycles is confirmed by independent organizations and other concerned parties.

Managing Closed Mines

GRI 306-1 / 306-2

We manage nine decommissioned and closed mines and the associated tailings facilities in Japan.

Wastewater from mines, tunnels and tailings facilities, where tailings and other materials are accumulated during mine operations. Such wastewater is primarily acidic and contains heavy metals, and as a result, it is properly treated at a water treatment facility before release.

We conducted assessments of accumulation sites in accordance with statutory management standards, which were revised following the Great East Japan Earthquake in 2011, and through 2018, we invested a total of approximately JPY4.5 billion to strengthen the 11 accumulation sites that failed to meet the standards. As a result, all accumulation sites now satisfy the standards.

In addition, we have responded to the increasing severity of natural disasters in recent years by completing the installation of emergency power generation equipment at each site and taking other measures by FY2023 to prepare for interruption of external power supplies and discontinuation of traffic for up to three days.

In August 2025, we also disclosed information regarding accumulation sites subject to GISTM.

Going forward, we will continue to soundly manage closed mines while also engaging in facility and infrastructure strengthening and improvement.

Management Framework for Closed Mines

Mine Name	Location	Date of Decommissioning or Closure
Kounomai Mine	Hokkaido	October 1973
Kitami Mine	Hokkaido	October 1963
Yoichi Mine	Hokkaido	October 1963
Kunitomi Mine	Hokkaido	March 1945
Omiya Mine	Fukushima	June 1950
Yaso Mine	Fukushima	October 1970
Sazare Mine	Ehime	July 1979
Besshi Mine	Ehime	March 1973
Okuchi Mine	Kagoshima	September 1977

Related Links

Tailings Facility Disclosure under GISTM >

Decommissioned and Closed Mines >

Management and Reduction of Chemical Substances

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

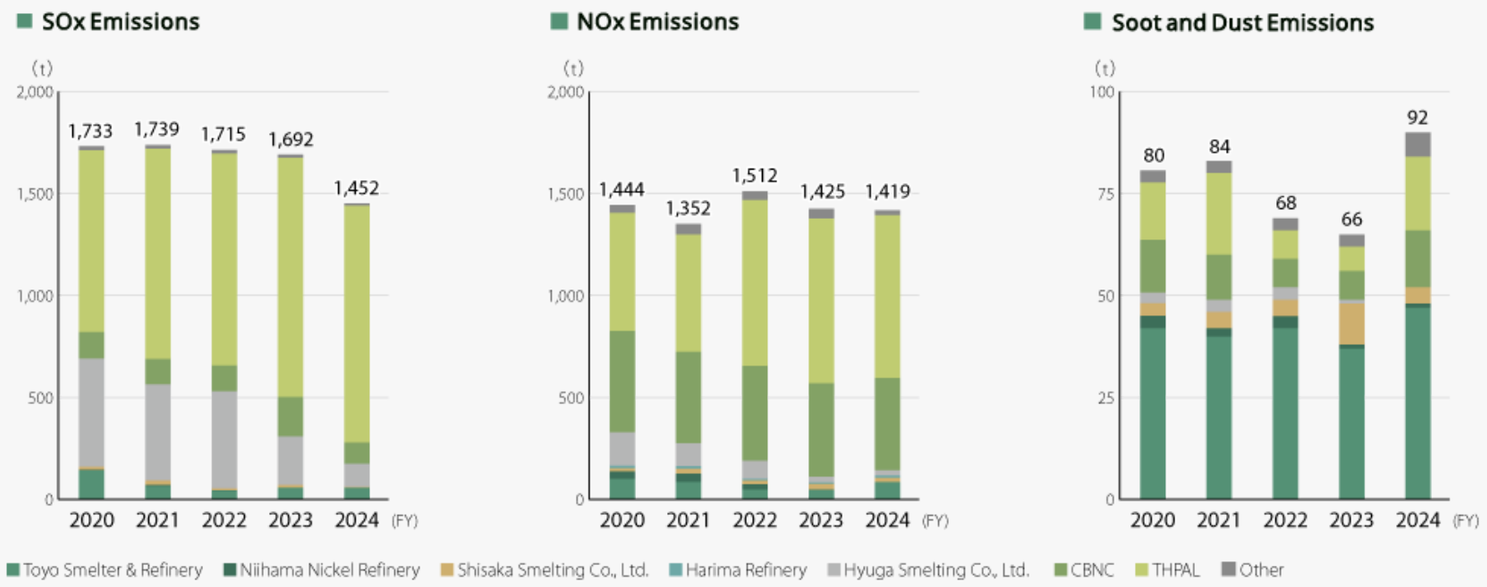
2 The Globally Harmonized System of Classification and Labeling of Chemicals (GHS): A system for classifying chemicals based on the type and degree of hazards and toxicity they pose, chemical labeling, and safety data sheet provision in accordance with a set of internationally agreed upon rules

Release into the Atmosphere[1]

GRI 305-7

SOx emissions in FY2024 decreased by about 14% year on year. The main factors in this decrease were a reduction in the amount of processed raw materials by Hyuga Smelting Co., Ltd. and the degradation of sulfur (S) in coal used by Coral Bay Nickel Corporation (CBNC). A partial increase in NOx emissions was seen due to an increase in the amount of C heavy oil used at Toyo Smelter & Refinery, but the level used by the Group as a whole was nearly the same as the previous fiscal year. Soot and dust emissions increased by about 40% year on year. The main factors in this include an increase in exhaust gas due to high-capacity operations at CBNC, higher density of boiler exhaust gas, and problems with electric dust collectors that occurred at Taganito HPAL.

1 All emissions are calculated based on flue gas measurement results.

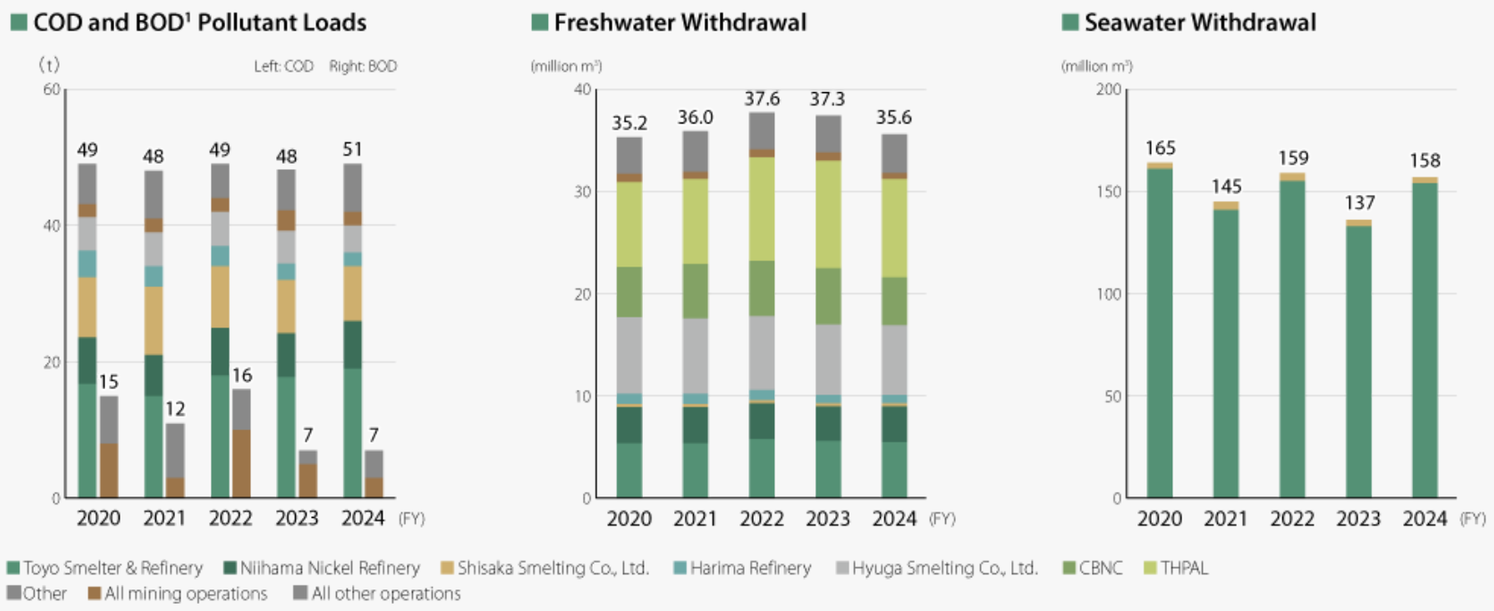


Discharge into Water

GRI 303-2 / 303-3 / 303-4

Many SMM Group business sites are located along Japan's Seto Inland Sea and are subject to controls on the total amounts of COD[1], nitrogen, and phosphorous emissions under the Act on Special Measures Concerning Conservation of the Environment of the Seto Inland Sea. In addition, we adhere to the discharge standards of the Water Pollution Prevention Act and have not had any violations in this area.

1 COD (chemical oxygen demand): Measured for discharge into seas, including discharge into rivers flowing into enclosed seas



1 BOD (biochemical oxygen demand): Measured for discharge into rivers, excluding discharge flowing into enclosed seas

Release Control for Chemical Substances[1]

GRI 305-6

An overview of releases and transfers of chemical substances based on Japan's Pollutant Release and Transfer Register (PRTR) system in FY2024 is as follows. The number of data-submitting sites in the SMM Group was 24 (23 in FY2023). The Group had 45 (44 in FY2023) substances requiring registration. The total released and transferred amount (releases + transfers) came to 2,450 t, a decrease of about 7% compared with FY2023. This was mainly due to a decrease in the volume of iron clinker[2] to be disposed as industrial waste after being generated as a by-product at Shisaka Smelting Co., Ltd. and a decrease in the volume of manganese transferred off-site. However, discharges into water increased by about 12% due to a rise in the density of boron included in the wastewater from the Hishikari Mine, and overall discharges also increased by about 11% year on year. There were no releases of ozone layer depleting substances.

1 Industrial waste treatment is commissioned to Group companies and industrial waste is recycled for use as raw material. Accordingly, chemical substances transferred off-site include some substances which were effectively not discharged outside the Group, such as nickel compounds as well as cobalt and cobalt compounds.

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

Environmental Impact of Business Activities (Material Flow)

INPUT (Resources)

GRI 301-1 / 301-2 / 302-1 / 303-3 / 303-5

Raw Material Input

Percentage of Recycled Input Raw Materials Used: 2.26%

Raw materials	(Total) 9,498 kt
Gold and silver ore (Hishikari Mine)	175 kt
Copper concentrates	1,558 kt
Nickel oxide ore	7,496 kt
Nickel matte, etc.	55 kt
Raw material for batteries	75 kt
ALC raw material, incl. silica rock[1]	80 kt
Hydrotreating catalyst raw material	58 kt

Recycled Materials[2]	(Total) 220 kt
Copper scrap	127 kt
Secondary zinc	1 kt
Precious metals and other secondary materials	6 kt
Electric arc furnace dust	86 kt
Sludge and dust	120t
ALC waste[1]	19t

Materials	(Total) 2,150 kt
Silica sand (for copper smelting)	124 kt
Chemicals (lime-based)	1,361 kt
Chemicals (sodium-based)	105 kt
Chemicals (magnesium-based)	18 kt
Sulfuric acid	453 kt
Cement, etc.	89 kt

1 Data until September 2024 from Sumitomo Metal Mining Siporex Co., Ltd., which was transferred to another company

2 Excludes materials recycled within plants.

Energy Input [1]

Total Energy Consumption	Energy Value	Consumption
Non-renewable energy sources	**(Total) 19,838 TJ**	
Heavy oil	1,282 TJ	31,755 kL
Coal/coke	11,877 TJ	453,802 t
Diesel/gasoline/kerosene	951 TJ	25,168 kL
LPG・LNG	381 TJ	7,607 t
City gas/natural gas	645 TJ	14,371 km3
Purchased electricity	4,686 TJ	1,301,634 MWh
Purchased steam [2]	16 TJ	15,673 GJ
Renewable energy	**(Total) 35TJ**	
Solar power generation,binary power generation	2 TJ	487 MWh
Biomass steam	31 TJ	31,014 GJ
Biomass fuel	2 TJ	134 t

1 Fuel, heat, electricity, etc. consumed in business activities in Japan and overseas are included, and electricity consumption is converted into joules at 3.6 GJ per 1,000kWh

2 Purchased steam includes purchased cold water

Total water withdrawal [1]

Total water consumption from all areas [2]

Freshwater withdrawal	(Total) 35,628 ML [3]
Surface water (rivers)	14,218 ML
Rainwater	44 ML
Groundwater	7,535 ML
Industrial water (water from another organization)	13,453 ML
Tap water (water from another organization)	379 ML
Seawater withdrawal	**(Total) 158,037 ML**

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

1 We identify and assess high-water stress areas using the WWF Water Risk Filter, and the results indicate that there are no areas of high-water stress at any of our business sites.

2 Water consumption is estimated by subtracting the total water discharge from the total water withdrawal for each business site. There was no water storage, which would have a significant water-related impact.

3 1ML is equivalent to 1,000 m^3

OUTPUT (Products & Emissions)

GRI 303-4 / 305-1 / 305-2 / 305-7 / 306-1 / 306-2 / 306-3 / G4-MM3

Products

Percentage of Products from Recycled Input: 7.84%

Mineral ores from the Hishikari Mine	30 kt
Electrolytic copper	443 kt
Gold	19t
Silver	190t
Gypsum	31 kt
Electrolytic nickel	60 kt
Nickel sulfate	9 kt
Nickel chloride	1 kt
Electrolytic cobalt	3 kt
Crude zinc oxide	32 kt
Scandium oxide	8t
Chromite	65 kt
Sulphur	27 kt
Ferronickel	18 kt
Battery materials	68 kt
Nickel powder	109t
Ag/Pd powder	1t
Sulfuric acid	378 kt
Slag	1,278 kt
Hydrotreating catalyst	10 kt
ALC (Siporex)[1]	159 ML[2]

1 Data until September 2024 from Sumitomo Metal Mining Siporex Co., Ltd., which was transferred to another company

2 1ML is equivalent to 1,000 m^3

Emissions

Released into the Atmosphere

GHG	(Total) 2,356 kt
Scope 1[1] (direct emissions)	1,724 kt
Scope 2[2] (indirect emissions)	632 kt
SOx	1,452t
NOx	1,419t
Soot and dust	92t

Discharge into water (total): 121t

COD	51t
BOD	7t
Total phosphorus	1t
Total nitrogen	62t

Release of Chemical Substances: 76t

Atmosphere (PRTR)	5.2t
Public water areas (PRTR)	69.3t
Soil/landfills on business premises (PRTR)	1.6t

Total water discharge: 190,915 ML[2]

Discharge into seas[4]	190,006 ML
Discharge into rivers	847 ML
Sewerage, etc.	61 ML

Total Waste[5]: 6,827 kt

Of which 6,730 kt is landfill on company premises and 2,374 t is PRTR substance transfers[6].

Spoil	31 kt
Leach sludge from CBNC, THPAL, etc.	6,698 kt
Industrial waste (Japan)	97 kt
Other	2 kt

1 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.”

2 GHG emissions factors for electric power purchased in Japan are the adjusted emissions factors of electric suppliers.
GHG emissions factors for electricity purchased overseas are based on the current edition of the IEA Emissions Factors.

3 1ML is equivalent to 1,000 m^3

4 Discharges into rivers flowing into enclosed seas are included in “Discharge into Seas.”

5 Industrial waste treatment is commissioned to Group companies, and industrial waste is recycled for use as raw material. Accordingly, waste figures include some waste which was effectively not discharged outside the Group, in particular, hazardous sludge.

6 Total transfers to sewerage and off-site transfers.

Trends in Final Disposal Amount of Industrial and Mining Waste in Japan

GRI 306-5

The SMM Group has long been making efforts to reduce industrial waste in Japan and the amount of wastewater sludge (mining waste) that undergoes final disposal from the mine-affiliated Toyo Smelter & Refinery. The total final disposal amount in FY2024 was 59 kt, which was a decrease of approximately 11 kt from FY2023. The main factor behind this decrease was a decrease in the final disposal volume of iron clinker at Shisaka Smelting Co., Ltd. (Although the volume of iron clinker as industrial waste increased, the final disposal volume of iron clinker decreased due to the increased use of raw materials.)

Waste by Type and Treatment Method (FY2024)

GRI 306-3 / 306-4 / 306-5

■ Waste by Treatment Method (Hazardous[1] / Non-hazardous[2])

(unit: kt)

		Hazardous	Non-hazardous	Total
Treatment method[3]	Recycling	7.9	29.4	37.3
	Incineration (with heat recovery)	0.3	1.3	1.5
	Incineration (without heat recovery)	0.0	0.1	0.1
	Landfill	54.0	6,731.6	6,785.6
	Volume reduction, etc.	2.0	0.8	2.8
	Total	64.3	6,763.1	6,827.4

(unit: kt)

Landfill on company premises / Contracted disposal	Landfill (SMM premises)	6,730
	Contracted disposal	98

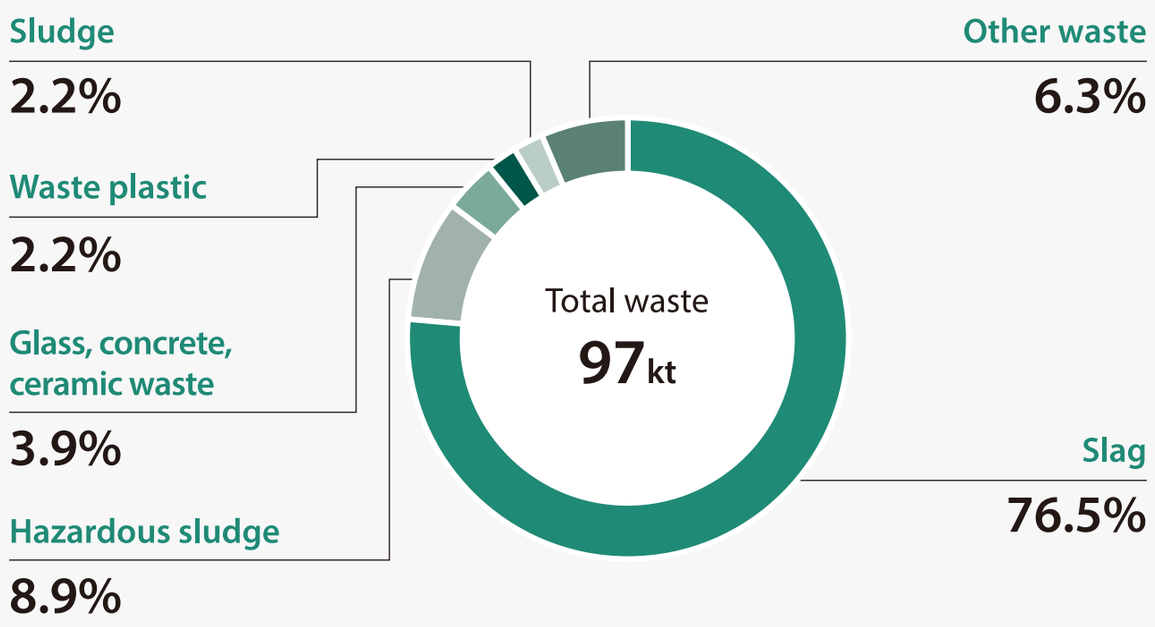
Industrial waste treatment is commissioned to Group companies, and industrial waste is recycled for use as raw material. Accordingly, waste figures include some waste which was effectively not discharged outside the Group, in particular, hazardous sludge.

1 In general, this depends upon definitions of the regulations in the other releasing countries concerned.
Since Japan does not have such laws or regulations, SMM applies the following definition:
“Specially controlled industrial waste and waste delivered to controlled landfill sites (excluding designated inert waste—5 categories of inert waste—that should have been delivered to landfill sites for inert industrial waste, but was disposed of at controlled landfill sites due to the distance limitation)”

2 Waste other than hazardous waste

3 Treatment methods outside of the Company were identified based on the written agreement with the disposal company and the manifest

■ Breakdown of Industrial Waste by Type of Waste (SMM Japan Group)



Human Capital Management

GRI 2-22 / 3-2 / 3-3

Background

It is essential to adopt human capital management, which views human resources as capital, aims to maximize their value, and seeks to enhance corporate value in the medium to long term. Maximizing the value of human capital to improve the productivity of the entire organization and create added value is crucial.

Strategies

The SMM Group pledges to provide a safe and comfortable workplace environment under an open and vibrant organizational climate. We will also encourage our employees to take the initiative in their own growth, so that each and every one of them can thrive in their work and contribute to the success of the company.

KPI/Target/Result

Vision for 2030 **A company that attracts a diverse workforce and allows them to grow and thrive**

KPI	Reporting boundary	Target (FY2030)	FY2024 results
Engagement score[1]	SMM Group Affiliated companies in Japan covered by the survey	Deviation Value: 55	Deviation Value: 47.7
Number of serious accidents[2]	Workplaces covered by safety statistics (including contractors)	Zero cases	Three cases
Number of workplaces with health risks[3]	Workplaces covered by safety statistics (Japan only)	Zero workplaces	Two workplaces Control Class 3: zero Control Class 2: two
Survey on Health and Productivity Management	Sumitomo Metal Mining Co., Ltd.	Deviation Value: 62	Deviation Value: 57.8
Utilization rate of self-development programs	Sumitomo Metal Mining Co., Ltd.	60%	25.8%
Percentage and number of female managers	SMM Group	SMM Group: 18% Sumitomo Metal Mining Co., Ltd.: 7% (50 people)	SMM Group: 11.5% Sumitomo Metal Mining Co., Ltd.: 3.3% (28 people)
Male childcare leave utilization rate[4]	Sumitomo Metal Mining Co., Ltd.	100%	100%

1 In general, engagement is taken to mean “the degree of mutual understanding and affinity between a company and its employees” (i.e. the degree of employees' attachment to the company and their passion for work). At the SMM Group, we define a high level of engagement as “the existence of a state of mutual understanding between the company/organization and its employees, in which the company/organization values its employees and the employees are committed to the development and vitalization of the company/organization”

2 Resulting in 50 days or more of absence from work

3 Workplaces classified as Control Class 2 and 3 under the Industrial Safety and Health Act

4 The “male childcare leave utilization rate” refers to the utilization rate of childcare leave based on Article 2 of the Act on Childcare Leave and Caregiver Leave, as well as paid leave for childcare purposes granted by our company in accordance with Article 24 of the same Act
Our company’s paid leave for childcare purposes can be taken for up to nine days. Employees may use this leave to accompany their spouse during hospitalization and childbirth. In addition, they can take a consecutive seven-day leave either starting from the spouse’s discharge from the hospital or from the day the couple returns home after the spouse has given birth at her hometown

Initiatives

Human Resource Strategy >
Well-being >
Human Resource Development >
Diversity, Equity and inclusion >
Labor-Management Relations >
Occupational Health and Safety >

Human Resource Strategy

GRI 3-3

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

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 recent 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 in the future as well, we will aim at sustainable improvement of corporate value.

Engagement Survey

In order to realize our "Vision for 2030"—to become a company that attracts a diverse workforce and allows them to grow and thrive—we believe it is essential to foster a corporate culture in which our diverse employees feel pride and attachment to our group, and can work with high engagement.

Until last fiscal year, we conducted employee awareness surveys. However, starting from fiscal 2024, we have begun implementing an engagement survey to quantitatively measure employee engagement levels and to clarify the strengths and challenges of our organization. Within our group, we define a high level of engagement as "the existence of a state of mutual understanding between the Company/organization and its employees, in which the Company/organization values its employees and the employees are committed to the development and vitalization of the Company/organization”.

We are actively working toward realizing this state.

According to the 2024 survey, the engagement score (where the average score of participating companies—about 10,000 companies—is set at 50 as a deviation value) was 47.7 for the Group (9 companies) with a response rate of 98.2%, and 49.9 for Sumitomo Metal Mining Co., Ltd., with a response rate of 96.3%. Through the survey, we found that while relationships with direct supervisors are a strength, there are challenges in outward orientation and a sense of personal growth, as well as significant variation in scores among different organizations. We believe that creating a safe and secure workplace leads to higher engagement, and in order to sustainably improve the Group's overall score, we are simultaneously working on "initiatives to address company-wide issues and raise the absolute score" and "initiatives to raise the baseline score within each organization."

As a key issue and KPI for our "Vision for 2030," we aim to raise the Group's score to 55 by 2030. By understanding, through the survey results, what employees expect, are satisfied with, or dissatisfied with, and by working to improve engagement, we will enhance various aspects of organizational performance.

Open and Vibrant Organizational Climate

We are working to create an open and vibrant organizational climate. We believe that under such a climate, every individual will respect the backgrounds of others regardless of differences and will engage in competitive hard work together with open discussion and generation of ideas to realize both individual and organizational growth.

Open and Vibrant Organization

An open and vibrant organization that our group strives for is expressed in easy-to-understand language and communicated to our employees.

- Freedom enabling all members to express their thoughts and observations regardless of their position within the organizational hierarchy

- An atmosphere that welcomes new ideas and new challenges
- A structure in which judgements are based on what is right, and not on who is right

The foregoing is predicated on the common sharing of organizational policies, targets, rules and regulations.

Well-being

GRI 3-3

- Maintaining and Improving Employees' Health
- Initiatives for Financial Well-being
- Long-Term Incentives and Rewards System for Employees

Our group has set forth the Vision for 2030 in human capital management as "a company that attracts a diverse workforce and allows them to grow and thrive," and we believe that the well-being[1] of our employees forms the foundation of this vision.

1 Well-being, in literal terms, means "living well" or "being happy," and refers to a state in which individuals or groups are physically and mentally healthy, and live with a sense of satisfaction and fulfillment.

Our company is engaged in an integrated business from securing non-ferrous metal resources to smelting and providing high-performance materials, and we have a diverse workforce in various workplaces. For each employee to work with a high level of well-being in their respective workplaces is essential for individuals and organizations to fully demonstrate their potential.
Our group has prioritized ensuring the safety and health of our employees. We believe it is important for each employee to strive to maintain and improve their own health, and for the Company to provide a rewarding and comfortable work environment, so that all employees can work energetically with both physical and mental well-being. Through the promotion of well-being, we aim to enhance employee motivation and productivity, thereby contributing to the Company's sustainable growth.

Maintaining and Improving Employees' Health

GRI 3-3 / 403-6

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. To ensure that all employees in our Group can work with greater health and motivation, we established the Sumitomo Metal Mining Group Health and Productivity Management Policy in FY2022, and of that year, 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.
In 2025, we established the Health & Productivity Management Promotion Section within the Human Resources Department as a central unit to promote health and productivity management company wide. We integrated the "Employee Health Promotion Roadmap" and the "Health and Productivity Management Promotion Plan" to create the "Health and Productivity Management Roadmap and FY2025 Promotion Plan." Based on this plan, and in cooperation with the Sumitomo Metal Mining Health Insurance Society, we are implementing effective measures to maintain and improve both mental and physical health.

Sumitomo Metal Mining Group Health and Productivity Management Policy

The Sumitomo Metal Mining Group recognizes that the ability of officers and employees to exert their capabilities to the fullest in good physical and mental health is an important foundation of our management. Accordingly, we promote efforts for the maintenance and improvement of health for every individual.

■ **Sumitomo Metal Mining Group Health and Productivity Management Framework**

GRI 403-6



Employee Health and Productivity Management Roadmap and FY2025 Promotion Plan

GRI 403-6

Initiative stage	Action Items	KPI	FY2024 results	Period of the 3-Year Business Plan 2027			FY2030 targets (Final year of the 3-Year Business Plan 2030)
				FY2025 targets	FY2026 targets	FY2027 targets	
Improvement phase for employees facing high health risks (Target: High-risk employees)	I Improvement of lifestyle habits	Percentage of employees aged 40 and over at medium or higher risk (requiring checkup, physician consultation)	26.8%	26.8%	25.0%	23.0%	18.0%
	II Reduction of smoking	Smoking rate	24.1%	22.0%	19.0%	16.0%	12.5%
	III Reduction of alcohol consumption	Percentage of employees whose average daily alcohol consumption is 2 go (approx. 360ml) or more for men and 1 go (approx. 360ml) or more for women	8.7%	8.1%	7.5%	7.0%	5.0%
Health risk reduction and health promotion phase (Target: All employees)	IV Re-commitment to mental health measures	Leave of absence rate due to mental health issues	0.25%	0.40%	0.39%	0.38%	0.35%
	V Reduction of obesity	Obesity rate (BMI over 25) among employees aged 40 and over 1Male 2Female	137.0% 221.9%	136.0% 222.0%	133.0% 220.5%	128.0% 219.0%	126.0% 218.0%
	VI Early detection of cancer	Cancer screening rate	Not measured	Target to be set			
	VII Promotion of understanding of women's health issues	Rate of training by all employees	—	20%	30%	40%	80%

Addressing Mental Health Care

GRI 403-6

In 2007, we issued our "In-House Guidelines on the Prevention of Health Disorders Due to Overwork and on Mental Health Care." We take action to prevent overwork from an early stage onward, and promote four types of mental health care: self-care, care by line management, care by staff, and care by external organizations. To support early return to the workplace, we are also developing systems for leave from work and trial return to work.

Illness Prevention and Health Promotion Initiatives

GRI 403-6

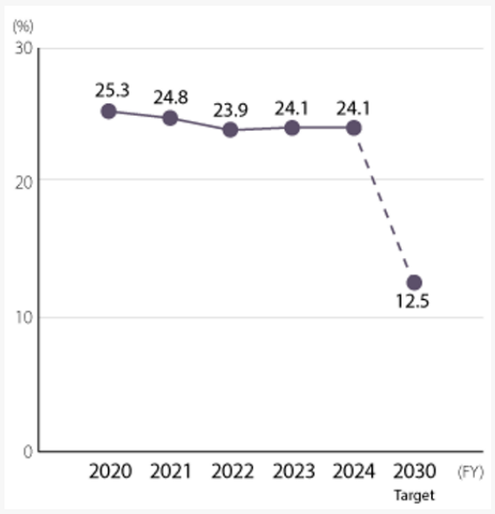
In cooperation with the Sumitomo Metal Mining Health Insurance Society, we are making initiatives for illness prevention and health promotion for our employees and their family members (dependents). To prevent lifestyle-related diseases, we promote the implementation of specific health checkups and specified health guidance, and encourage those at particularly

high risk of serious illnesses to undergo checkups. We also subsidize all or part of the costs of various medical examinations, comprehensive health checkup system (Ningen Doc), and complete brain checkups. When undergoing complete medical checkups, employees can take health management leave (up to two days per year).
Furthermore, to promote smoking cessation, we have reduced the number of smoking areas and offer an online smoking cessation program for those who wish to quit. About 70% of participants in the smoking cessation program have successfully quit smoking.

Main Projects for Illness Prevention and Health Promotion

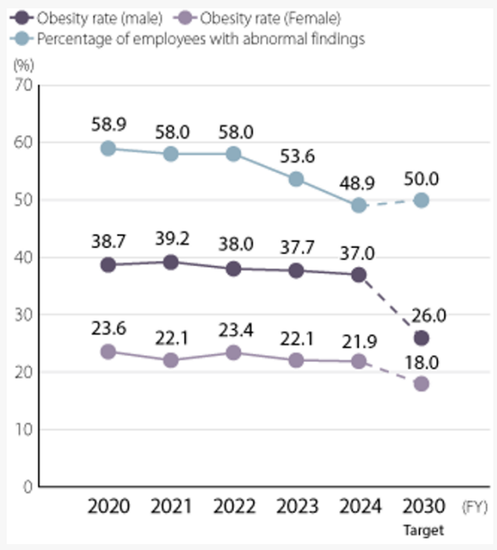
- Specified health checkups and specific health guidance for the prevention and remediation of metabolic syndrome
- Comprehensive health checkup system (Ningen Doc), brain checkups, colon cancer screening, abdominal ultrasound screening, gastric X-ray screening, dental checkups, HPV self-checks
- Encouraging employees at high risk of worsening of lifestyle-related diseases to undergo checkups and providing health guidance to employees at high risk of diabetic nephropathy
- Online smoking cessation program
- Intermediary sales of household medicines
- Determination of disease risk through genomic analysis

■ Smoking Rate and Target[1]



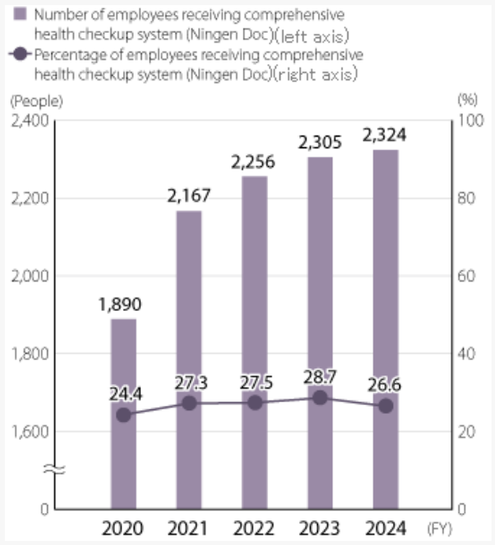
1 Reporting boundary: Employees of Sumitomo Metal Mining Co., Ltd. age 40 or older (results of specific health checkup interview)

■ Percentage of Employees with Abnormal Findings[1], Obesity Rate[2], and Targets



1 Reporting boundary: Insured persons of the Sumitomo Metal Mining Health Insurance Society

■ Percentage and Number of Employees Receiving Health Checkups (Ningen Doc) [1]



1 Reporting boundary: Insured persons of the Sumitomo Metal Mining Health Insurance Society who are 18 years old or older

2 Reporting boundary: Employees of Sumitomo Metal Mining Co., Ltd. age 40 or older

Diverse Work Styles and Labor Productivity/Prevention of Long Working Hours and Overwork

Our Company complies with the laws and regulations of countries and regions regarding long working hours and overwork. As an initiative in Japan to prevent health disorders due to overwork, since 2003, before our working style reform initiatives, we have made the Company aware of employees who have worked overtime for over 45 hours per month and conducted health guidance by occupational health physicians for employees who have worked overtime for over 80 hours per month. We make efforts to reduce employee average annual working hours to our target of 1,900 hours or lower, and report on progress toward this target every month at executive officers' meetings. The recognition of diverse working styles (work-from-home and flextime systems) matched to the job leads a more active involvement in work from employees and promotes reduced working hours and enhanced productivity. In the Head Office District, we have introduced a flextime system with no core hours, achieving flexible working styles grounded in the independence of employees. To promote the taking of annual paid leave, we also engage in labor-management dialogue at all business sites, and study and carry out related measures based on the situation at each site. Based on the reduction of annual working hours achieved through these initiatives, since April 2021 we have unified the annual scheduled working hours for all working styles to 1,920 hours. In FY2024, annual total working hours were 1,946.7 hours (average for all employees) and the percentage of paid leave taken was 87.2% (annual average for all employees).

■ Average Annual Working Hours[1] and Percentage of Paid Leave Taken[2]



1 Average annual working hours = scheduled working hours (excluding leave, paid leave, etc.) + overtime hours

2 Reporting boundary: Employees of Sumitomo Metal Mining Co., Ltd. during the year (excluding limited-term employees who are specially hired employees)

Initiatives for Financial Well-being

GRI 3-3

As part of our efforts to create an environment where each employee can work with peace of mind over the long term, our group is also focusing on improving "financial well-being." With the aim of supporting employees' financial independence and asset building, as well as enhancing life planning and financial literacy, we are implementing the following initiatives.

Enhancement of investment education to improve financial well-being

Our group launched a "Financial Literacy and Asset Building Education Program" via e-learning in fiscal 2024, and established a new page titled "Investment Education - Let's Consider Your Future Life Plan" on the Company's internal portal site in fiscal 2025. The program mainly covers the following topics:

- Clearly explains the importance of investment education and the basics of asset building through videos and other resources, tailored to contemporary issues such as rising prices and the diversification of life events.
- Introduces the features, risks, and returns of major financial products—including savings, investment trusts, bonds, stocks, insurance, and crypto assets—in an easy-to-understand table format. The content also organizes key points by risk level and return, emphasizes the importance of long-term and diversified investment, and provides clear guidance on appropriate pension management.
- Provides detailed information on corporate defined contribution pension plans (DC) and how to utilize them for asset building.

In addition, to allow all employees to learn at their own pace, the program is compatible with a variety of devices, including smartphones, to enhance convenience. Going forward, we will continue to support long-term security and the improvement of financial well-being by further enhancing access to information, educational opportunities, and consultation support systems.

Employee Stock Ownership Association

The Employee Stock Ownership Association was launched in 1982 to assist employees with long-term asset formation. With the Company and the Group company employees (including non-regular employees) as members, the association contributes funds from salaries and bonuses for the purpose of purchasing shares of the Company. The incentive from the Company is 12% of the contribution, with dividends reinvested as members' stock purchase funds.
Starting from fiscal 2024, we introduced a system to grant shares as a special incentive to members of the Employee Stock Ownership Association and the Group Employee Stock Ownership Association. New members of the association are granted 50 shares, and those who continue contributions for one year are granted 10 shares, respectively. Through this system, we support employees' asset building and promote greater management awareness. By continuing this program, we aim to foster a workplace culture where employees can work with peace of mind and to achieve the Company's sustainable growth. As of March 1, 2025, the participation rate (non-consolidated basis) was 68.0%.

Corporate Defined Contribution Pension Plan (DC) "Life Plan Support Allowance" System

Our company has introduced the Corporate Defined Contribution Pension Plan (DC) “Life Plan Support Allowance” system to enable employees to plan for the future with peace of mind and realize a fulfilling second life. Under this system, managerial employees make monthly contributions from their salaries, while general employees contribute from their bonuses. The amount of contributions is clearly indicated on salary or bonus statements according to each employee’s selection, thereby enhancing the transparency of the system. We will continue to provide comprehensive support for all employees to achieve stable asset building.

Long-Term Incentives and Rewards System for Employees

GRI 401-2

Retirement Allowance and Corporate Pension System

In order to contribute to employees’ long-term security and job satisfaction, our company and its group companies have introduced a diverse retirement benefits system based on three main pillars: a lump-sum retirement allowance, a defined benefit corporate pension plan (DB), and a defined contribution corporate pension plan (DC). These systems are uniquely designed to exceed legal requirements and are implemented across the Group. By flexibly accommodating diverse lifestyles in later life and changes in employment styles, we help ensure stability and peace of mind after retirement.
With the revision of the managerial track personnel system in fiscal 2023, a point-based retirement allowance system has been introduced for management-track employees, reflecting both job responsibilities and years of service. Additionally, to better recognize employee contributions, the reduction system (payment rate) for voluntary resignation has been abolished, thereby increasing fairness. These measures support both workforce mobility and long-term retention and engagement.

1)Defined Benefit Corporate Pension Plan (DB)
This plan consists of a “First Pension” and a “Second Pension,” both provided as fixed-term pensions for either 10 or 15 years. The benefit levels exceed market averages, with contributions made until age 60 and compound management continuing until the mandatory retirement age of 65.

2)Defined Contribution Corporate Pension Plan (DC)
Introduced as a voluntary option in June 2017, this plan adopts a contribution method using bonuses as the funding source. Employees can manage their investments with a high degree of flexibility according to their life plans and preferences.

3)Lump-Sum Retirement Allowance System
In accordance with company regulations, a lump-sum payment is provided to employees who have worked for a certain number of years, with the amount determined by years of service and job responsibilities. Combined with the DB and DC plans, this system further supports employees in planning a fulfilling post-retirement life.

Commendations for Long Service

At our company, we express our gratitude for the contributions of employees who have served faithfully over many years by holding a Long-Service Award ceremony every year on the anniversary of our founding (March 1). The awards are presented to employees who, during the year leading up to the day before the anniversary, have completed 10, 20, 30, or 40 years of continuous service. Recipients of the award are given a certificate of recognition, a travel voucher, and special leave.

President’s (General Manager of Division’s) Commendation for Achievement and President’s Letter of Appreciation

To commend efforts and achievements in line with the scale and results of outstanding contributions to the Company through everyday work, once per year the Company presents certificates of merit and supplementary awards or letters of appreciation from the president or from general managers of divisions to individuals, groups, or workplaces.

Human Resource Development

Approach to Human Resource Development

GRI 3-3 / 404-2

Our Group believe that human resources are the key to achieving our growth strategies, and we are taking action to recruit the human resources that will be necessary for carrying out strategies from a medium- to long-term perspective. For areas and positions that require medium- to long-term development, we assign recent graduates to positions based on our policy of hiring the few very best candidates, and for positions necessary for carrying out large-scale projects and quickly executing business expansion strategies, we actively recruit experienced and specialized human resources from outside the Company. We also believe that self-driven growth by every employee hired in this manner will lead to sustainable growth by the Group. In order to build a new business model and adapt to a changing business environment, we provide all employees with opportunities to improve their capabilities and are developing human resources who can steadily execute on growth strategies.

We consider self-development by individual employees and practical on-the-job training (OJT) that is planned and continuously carried out through everyday work, along with appropriate assignment of personnel resources with an intention of development, to be the foundation for employees' growth. In OJT, we encourage not only acquisition of knowledge and skills for jobs but also growth as a person. In off-the-job training (OFF-JT), we are constructing a system for diverse training, workshops, online video-based learning, e-learning, and other training for each human resource management classification[1] and are promoting self-development by employees.

Under the thinking that appropriate involvement of superiors is important in the growth of subordinates, superiors make efforts to actively support the motivation and enthusiasm of subordinates. Regarding the target management system that we introduced with the objective of achieving both individual growth and sustainable growth by the Company, we evaluate employees' medium- to long-term efforts and attitudes toward challenges. We also provide active support for career development, including transfer requests, so that all employees can independently consider their careers and work with motivation. When performing employee evaluations, we clarify the points of emphasis by adjusting the allocation of evaluation points according to the employee's job duties, responsibilities, and roles. In addition to conducting interviews to provide feedback at the end of each fiscal year as a means of sharing information on evaluations, superiors also hold one-on-one meetings with their subordinates to improve the quality of communication between superiors and subordinates and draw out the capabilities of every individual.

In addition to the Human Resources Division, we conduct division-specific and function-specific human resource development. For specific function, we clarify the person in charge of development and engage in Company-wide development and utilization (assignment) of human resources.

1 To accommodate differences in goals and basic approaches in development and utilization (assignment), we have established human resource management classifications of "managerial track" and "operating track" in line with the roles of employees, and are developing different human resource development systems

Medium-Term Targets Relating to Human Resource Development

As medium-term targets relating to human resource development toward addressing key issues and realizing our Material issues and Vision for 2030, we have set the "Utilization Rate of Self-Development Programs" as a target. In conjunction with the revision of the managerial track personnel system for comprehensive employees in July 2023, we are promoting the utilization of various programs—including online video learning, correspondence courses, foreign language courses, business school dispatch, and university/graduate school dispatch—with the aim of fostering a corporate culture in which each employee continues to learn and grow. Our goal is to achieve a 60% utilization rate for these programs by FY2030. Additionally, we conduct one-on-one meetings to draw out the motivation and potential of each employee and boost personal growth through periodic dialogues between superiors and subordinates, and we are working toward achieving a 100% implementation rate in FY2030.

Training Systems

We are building training systems aimed at improving the capabilities required for each human resource management classification, grade-specific, and individual.

■ SMM Human Resource Development Program

		Officers	Managers (managerial track employees)	General employees (managerial track and operating track employees)
OJT	OJT			OJT programs for new employees
				Function-specific OJT programs for new employees Mining School
Self-development	Support for self-development			Brush-up training
		e-learning		
		Foreign language programs		
		Fee assistance for language proficiency tests		
		Correspondence education		
		General culture education (Head Office)		
Off-JT	Training for Internalizing The Sumitomo Business Spirit and SMM Group Corporate Philosophy	Training for Internalizing the Corporate Philosophy		
	Development of global human resources		Overseas training	
			Language training prior to overseas assignment	
			Global staff training	
	Compliance, governance, risk management	Compliance seminar		
		Human rights seminar, seminar on promotion of diversity		
		JCO Study Center training		
	External training			Pursue higher education in Japan
				Dispatch to MINETEC
			Training in Japan	
	Safety, skills			Hazard simulation training
				Equipment skills training
	Women's career support			Training with women from other industries
			Individual career support	
	3-year program for managerial track new employees			Training program for new employees Short-term overseas training Second-year training Third-year graduation paper presentation
	Mid-career hires		Training program for mid-career hires	
			Secondary training for mid-career hires	
	Hierarchical level-specific training			Seminar for newly promoted employees (E-class, S-class, F-class)
			Class-specific training	
			Preparatory curriculum (e-learning)	
	Development of next generation of management		Middle Management Program	
			Officers' Coaching School	
			Training to develop the next generation of executive managers	
			Training and seminars with other companies' managerial track employees	
	Career training			Career design training for persons in their 30s (Head Office)
			Career design training (at age 58, 50, 43 and 35)	
	Project leaders		Project management training	
	Specialized education	Outside seminars and workshops		
				New employee's supervisor training
				Supervisor/line leader training
				Problem-solving training for office workers
				Smelting & Refining University
	Work-life support	Seminar for balancing work with child-rearing and nursing care		

Education for managerial track employees　Education for operating track employees　Education for all employees

Hierarchical Position-Specific Education for Managerial Track Employees

This education falls under two types: grade-specific training conducted when employees are assigned to a job grade corresponding to staff in charge of a business or bearing duties and responsibilities for managing a workplace, and preparatory curriculum that must be taken in advance. The education enables employees to take on the duties and responsibilities demanded of each job grade category and to deliver results.

Grade-specific training	We conduct new employee training for about one month under a curriculum focused on classroom learning, group work, and visits to business sites and facilities related to the Company, while also teaching fundamental matters for working persons. Additionally, for newly appointed managerial employees, we provide training on topics such as labor management and compliance, as well as opportunities to acquire practical organizational management skills.
Preparatory curriculum	We are developing e-learning aimed at advanced acquisition of the knowledge and skills (in-house knowledge, problem solving, management skills, etc.) that employees need in order to take on the duties and responsibilities of higher job grade categories. We expect employees to independently envision their careers and study and acquire required knowledge, capabilities, and skills in advance to enhance their capabilities for executing work and to put this into practice through their work.

3-Year Program for Managerial-Track New Employees

We have set the first three years after joining the Company—a period during which the foundation as a business professional is established—as the timeframe for the education and development of new employees. By encouraging self-development with a clear image of what they should be like three years after joining the Company, setting clear goals for the three-year period, and implementing training programs at regular intervals, we promote the growth of new employees.

Training program for new employees	We conduct new employee training for about one month under a curriculum focused on classroom learning, group work, and visits to business sites and facilities related to the Company, while also teaching fundamental matters for working persons. This training is aimed at equipping employees with an awareness as employees of the Company and a recognition of their responsibilities. Together with this training, we implement overseas language training and other programs to develop global human resources.
Second-year training	We work to enhance motivation toward work and engagement with the organization by providing employees with opportunities to reaffirm their positions and expected roles, as well as to envision their future careers, by looking back on their first two years since joining the Company.
Third-year graduation paper presentation	To wrap up the three-year development system, we hold a paper presentation event aimed at letting employees reaffirm their roles and organize their medium- to long-term career prospects. We work to promote self-driven career formation by having employees summarize work and the issues that they tackled during their first three years, along with their career prospects to tenth year.

Development of Next Generation Management

We believe in the importance of expanding our human resource pool of the next generation management through planned development. Toward that end, we implement multiple selection-based programs (Middle Management Programs, Training to develop the next generation executive managers, Officers' Coaching School, etc.) for specific target groups to develop human resources. We also actively dispatch personnel to multiple external programs and, through training and seminars with next generation management resources outside the Company, work to equip employees with perspectives not obtainable within our Company alone.

Officers' Coaching School	We launched the Officers' Coaching School in 2014 as a venue for executive officers and the school's students to inspire each other and consider their self-development. Each class consists of junior and middle-management employees. Executives serve as the head and deputy head of each class, which operates independently. Classes established based on functions such as mineral resource business, smelting and refining business, materials business, research and development, equipment and technology, human resources, accounting, and sales select key themes for the Company and engage in activities with the goals of strengthening the ability to learn together and to put learning to practical use in the workplace.
Training to develop the next generation executive managers	We have held training to develop the next generation executive managers since FY2011, and most recently, the program has been conducted every other year. This training is for the purpose of selecting human resources who will lead our Company in the near future and teaching them the fundamentals of management. We are implementing a practical program of about eight months to place participants at the starting line of change and growth, thereby fostering commitment and motivation, and to provide the knowledge and train the thinking skills necessary for running a company.
Middle Management Program (MMP)	Since FY2008, we have been carrying out MMP as a program to select human resources who can be expected to lead organizations in the future, and to equip these persons with more high-level perspectives. Through discussions on material issues for the achievement of Vision for 2030 over the course of about six months, with members of our management team serving as a lecturer, MMP works to raise the level of the mid-level managers who will lead the next generation.

Self-Development Support and Recommendations

To actively support employees' self-development, we offer a variety of programs including online video-based learning, correspondence courses, foreign language courses, business school dispatch, and university/graduate school dispatch. In our online video-based learning program for all managerial track employees, we offer courses on knowledge and skills (such as problem solving capabilities, management skills, and basic management knowledge), as well as the Company's business strategies, occupational health and safety, DE&I, and labor management. Additionally, since FY2023, all employees have been eligible for qualification congratulatory gifts aimed at securing holders of qualifications necessary for business or closely related to work and at developing employees with high-level expertise, as well as appointment and notification allowances designed to motivate employees who take on external responsibilities due to appointment or notification. Furthermore, in accordance with the Company's regulations on the management of patents, we provide rewards both at the time of application and based on achievements for inventions made by employees in the course of their duties. There is no upper limit to the achievement-based rewards for inventions that contribute to the business, which increases employees' motivation to create valuable inventions.

Career Plan Training

To be a company where all employees can take a vibrant and active part, we believe it is important that employees are able to independently envision their careers and continue working. Toward that end, 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.
Additionally, in 2023, alongside the revision of the managerial track personnel system, we also established the Career Challenge System (an internal job posting system). Autonomous challenges utilizing this system have been occurring on an ongoing basis.

JCO Study Center Training

We believe that we bear an obligation and responsibility to pass on to Group employees the lessons from the JCO criticality accident that must never be forgotten. For this reason, we established the JCO Study Center in October 2010 as an experience-oriented facility where employees can have direct contact with the facts of the incident. We learn about topics including the accident's direct causes and risk management at the time. To ensure that such an accident never occurs again, we have incorporated JCO Study Center training into internal training and are making efforts to have all Group employees undergo the training at least once. As of May 1, 2025, 92.3% of our employees and 90.3% of employees of Group companies have experienced the training.

Diversity, Equity and Inclusion

GRI 3-3 / 405-1

Declaration of the Sumitomo Metal Mining Group on DE&I
DE&I Roadmap
Initiatives

The Sumitomo Metal Mining Group (hereinafter called "SMM Group") upholds the principle of respecting all individuals and recognizing each person's dignity and value in our Corporate Philosophy.
Based on our long-term vision of "Becoming the World Leader in the Non-Ferrous Metals Industry," as well as the rising social expectations for the achievement of this vision, for contributing to a sustainable society, and for enhancing corporate value, we have positioned "Human Capital Management" as one of our key initiatives. This approach treats human resources as capital and aims to maximize their value, thereby linking it to the enhancement of our corporate value over the medium to long term. Under this important initiative of "Human Capital Management," our Vision for 2030 is to be a company where diverse talent can gather, grow, and thrive.
In addition to diversifying attributes such as gender, nationality, and age, the SMM Group promotes the diversification of abilities and experiences to generate new ideas, enhance organizational flexibility and competitiveness, and drive transformation through the creation of new value.



What We Think of as DE&I

The SMM Group's understanding of DE&I is as follows.

"Diversity"

Diversity refers to "variety" and describes a state in which an organization consists of people with various attributes, such as race, ethnicity, religion, gender, age, sexual orientation, gender identity, gender expression, disabilities, nationality, abilities, experiences, values, and educational backgrounds.
By respecting the diversity of each individual, we create an environment where unique perspectives and ideas can be utilized and new values can be created. We do not tolerate any discrimination, harassment, or bullying based on these various attributes.

"Equity"

Equity refers to providing support to all employees according to their individual differences (diversity) and offering fair and just opportunities for challenges and success.
We provide support and resources tailored to each individual's circumstances and unique needs, enabling every employee to maximize their potential, thereby enhancing the overall productivity and competitiveness of the organization.

"Inclusion"

Inclusion refers to a state where diverse talents come together as one, and each individual's characteristics and opinions are accepted and respected, allowing everyone to fully utilize their abilities.
It is important to create a workplace where all employees can feel comfortable sharing opinions, learn from each other, and grow together, and to promote the creation of “a workplace where all employees can work ideally”. By achieving inclusion, employee engagement will improve, leading to increased retention and productivity of each employee, and ultimately enhancing the company's value.

DE&I Roadmap

Based on the position statement of the International Council on Mining and Metals (ICMM), we have developed a roadmap to 2030 for achieving gender balance and creating a better work environment for sexual minorities (LGBTQ+), which are high priority issues in DE&I in Japan.

<table>
<tr><th rowspan="2">Item</th><th colspan="6">Target</th></tr>
<tr><th>FY2025</th><th>FY2026</th><th>FY2027</th><th>FY2028</th><th>FY2029</th><th>FY2030</th></tr>
<tr><td>Attain a balance of genders
[KPI] Percentage of female managers</td><td colspan="3">Percentage of female managers: 5% or more (SMM), 15% or more (SMM Group)
* Number of female managers within SMM: 35</td><td colspan="3">Percentage of female managers: 7% or more (SMM), 18% or more (SMM Group)
* Number of female managers within SMM: 50</td></tr>
<tr><td rowspan="2">Establish better work environment for sexual minorities</td><td colspan="6">-Promote an understanding through LGBTQ+ training for all directors, officers and employees.
-Ensure that all directors, officers and employees have a good understanding of the same-sex partnership system and improve a personnel system as necessary.
-Grow Ally community for LGBTQ+ in the company and continue its activities.</td></tr>
<tr><td colspan="3">Gain and maintain the ”Gold” rating certification of PRIDE Index[1].</td><td colspan="3">Gain and maintain the ”Gold” rating certification of PRIDE Index and also strengthen activities to obtain the highest "Rainbow“[2] rating certification.</td></tr>
</table>

1 The PRIDE Index is an evaluation indicator for LGBTQ+ activities in the workplace, developed by the general incorporated association work with Pride, and consists of five indicators: Policy (Declaration of action), Representation (Support for the LGBTQ+ community), Inspiration (Awareness-raising activities), Development (HR systems and programs) and Engagement/Empowerment (Social contribution and external relations activities).
Companies that meet all five of these indicators are recognized with the highest Gold Award.

2 The Rainbow Award is an index that evaluates companies and organizations who promote initiatives to create work environments/society where LGBTQ+ are free to be themselves in collaboration with others beyond the borders of companies/countries and regardless of types of organizations.
Source: “work with Pride Association’s PRIDE Index” (Japanese only: https://workwithpride.jp/pride-i/)

Initiatives

Initiatives toward Gender Balance (women’s active engagement)

GRI 202-1 / 404-2 / 405-1 / 405-2

As part of our human capital management, we have set KPIs for “the percentage and number of female managers,” with the targets of achieving a percentage of female managers of 7% or higher (with at least 50 female managers) on a non-consolidated basis by FY2030, and a percentage of female managers of 18% or higher on a consolidated group basis.
In FY2024, the percentage of female SMM managers was 3.3% (28 employees) and the percentage of female SMM employees was 13.2% (495 employees), both figures having increased from the previous year. We have formulated an action plan based on the Act on the Promotion of Women’s Active Engagement in Professional Life[1] and are working to achieve our goals. Furthermore, through various measures such as proactive recruitment, appointment to a wide range of positions, and training of female leaders, we are making efforts toward furthering the active engagement of women.

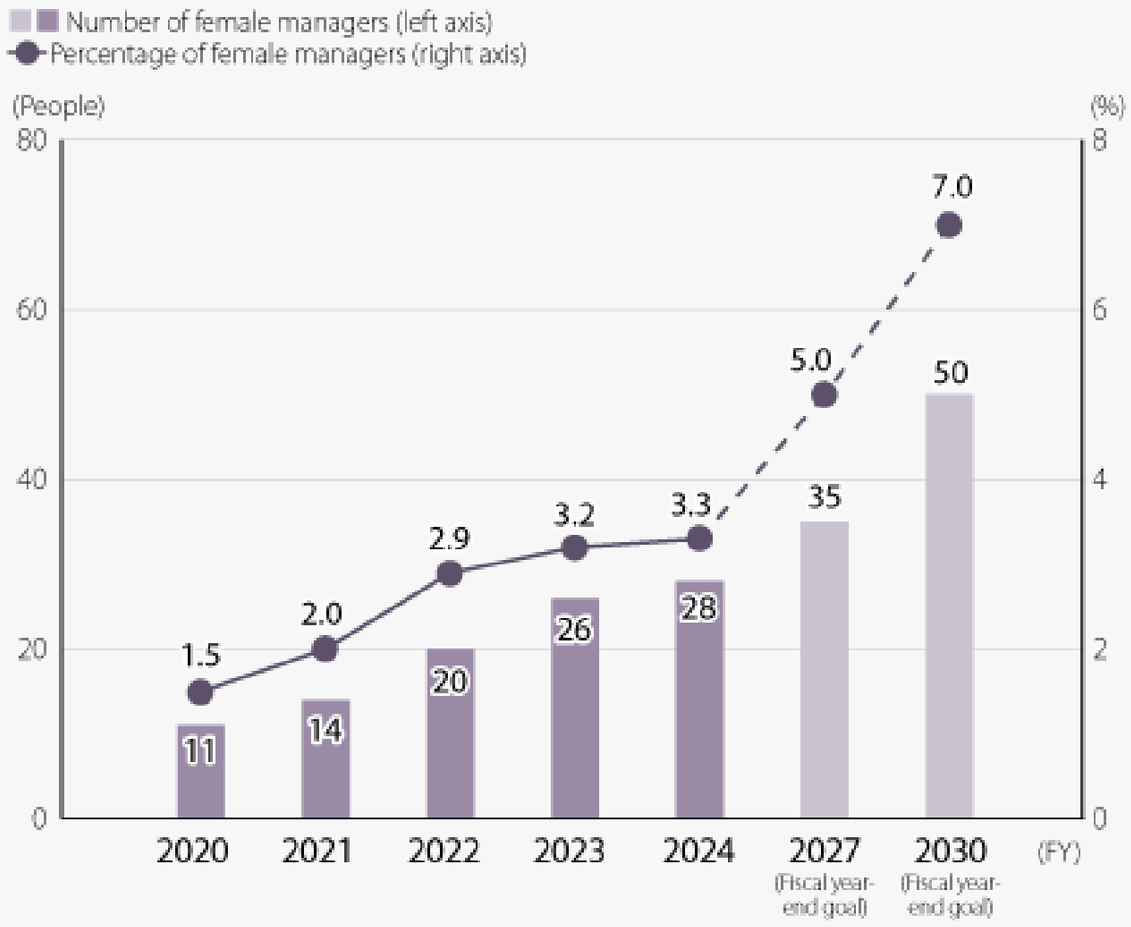
1 Enacted in 2016 with the aim of realizing a society in which women can fully demonstrate their individuality and abilities, this law stipulates the responsibilities of the national government, local governments, and general business owners about the promotion of women’s active engagement

■ Our Company's Action Plan Based on the Act on the Promotion of Women's Active Engagement in Professional Life (period of plan: April 1, 2024 to March 31, 2028)

Initiatives	
Percentage of female managers	5% or more
Percentage of paid leave taken	80% or more
Percentage of female employees who took parental leave	100%
Percentage of male employees who took parental leave[1]	100%

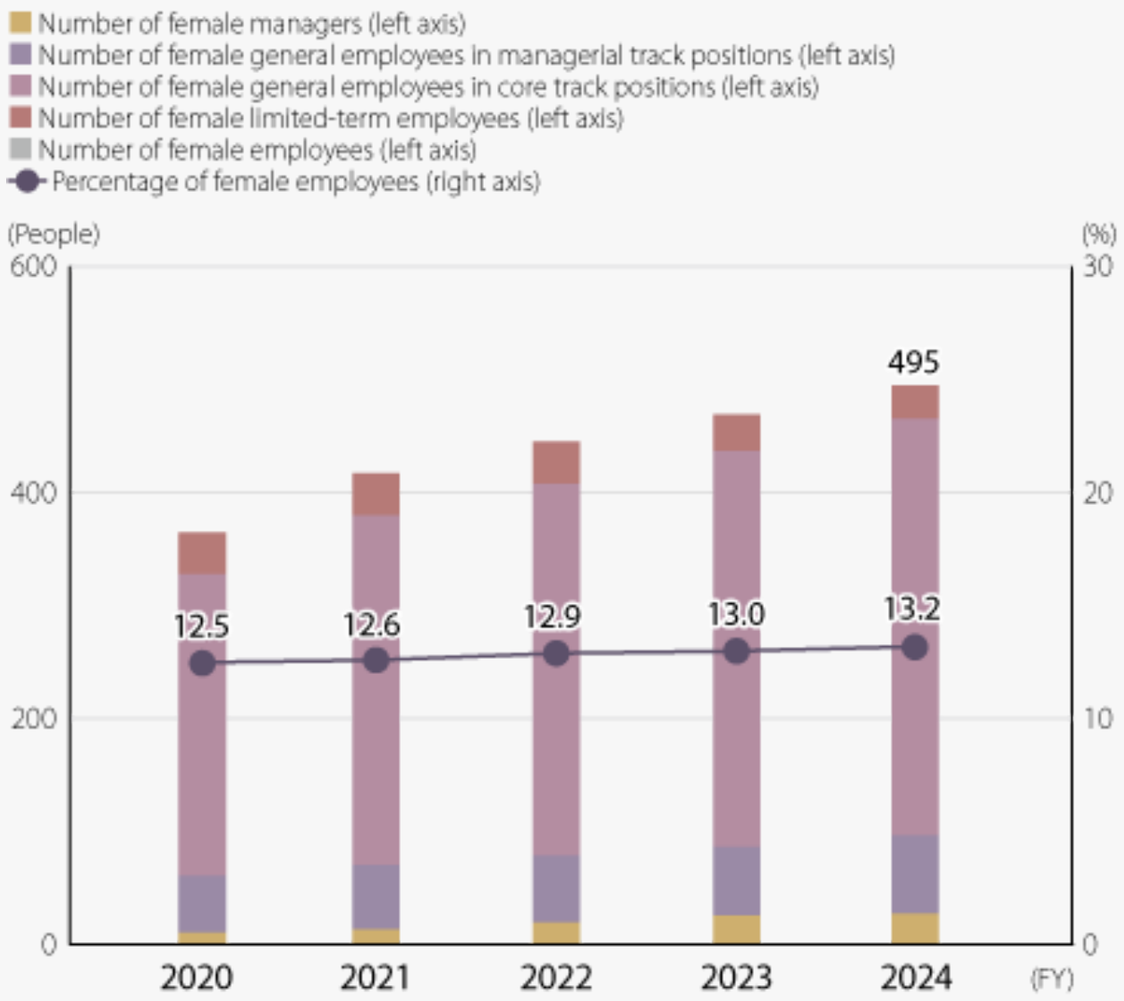
1 Parental leave by male employees includes time off for childcare

■ Number and Percentage of Female Managers[1]



1 Reporting boundary: Sumitomo Metal Mining Co., Ltd. (including seconded employees)

■ Number and Percentage of Female Employees[1]

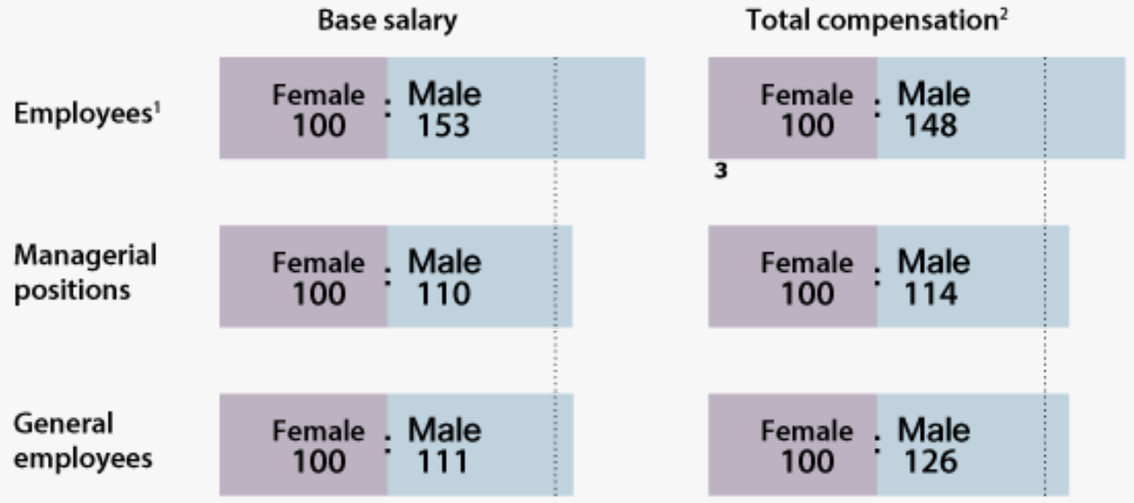


1 Reporting boundary: Sumitomo Metal Mining Co., Ltd. (including seconded employees)

Fair Systems of Evaluation and Treatment

We have also introduced an evaluation and compensation system free of distinctions or difference based on gender and age, with compensation determined by individuals' roles and achievements. The ratios of female-to-male compensation for non-limited-term employees in FY2024 were 100 : 153 for base salary and 100 : 148 for total compensation. We believe that this difference between male and female stems from the facts that the number of years of service is longer for male employees and the percentage of females in managerial positions is lower. To eliminate the difference, we will improve our retention rate for female employees and raise the percentage of female managers to an appropriate level.

■ Ratios of Female-to-Male Base Salary and Total Compensation (FY2024)



1 Reporting boundary: Non-limited-term employees of Sumitomo Metal Mining Co., Ltd. (including short-time workers)

2 Total compensation includes base salary, overtime pay, allowances for housing, family, commuting, etc., and excludes payments to employees who resigned

3 The main reasons for the compensation difference are that the average length of continuous service for women is 12.1 years (about 5.4 years shorter than the 17.5 years for men) and the percentage of women in management positions is 3.3%

Training for the Development of Female Leaders

As the number of female managerial track employees in our Company is relatively small, in addition to training in line with our Company-wide human resource development program, we identify female employees who are expected to play future roles as leaders and send them to training in interactions of nine companies in different industries. Our aim is for the employees to encounter different corporate cultures, expand their horizons, and acquire the practical skills required of leaders by tackling issues together with female employees of the same generation from other companies.

Roundtable Discussions by Officers and Female Managers

To create workplaces where female employees can work comfortably and play active roles, we have been holding roundtable discussions with officers and female managers twice a year since FY2023. Going forward, we plan to reflect the opinions and ideas raised in these discussions in measures.

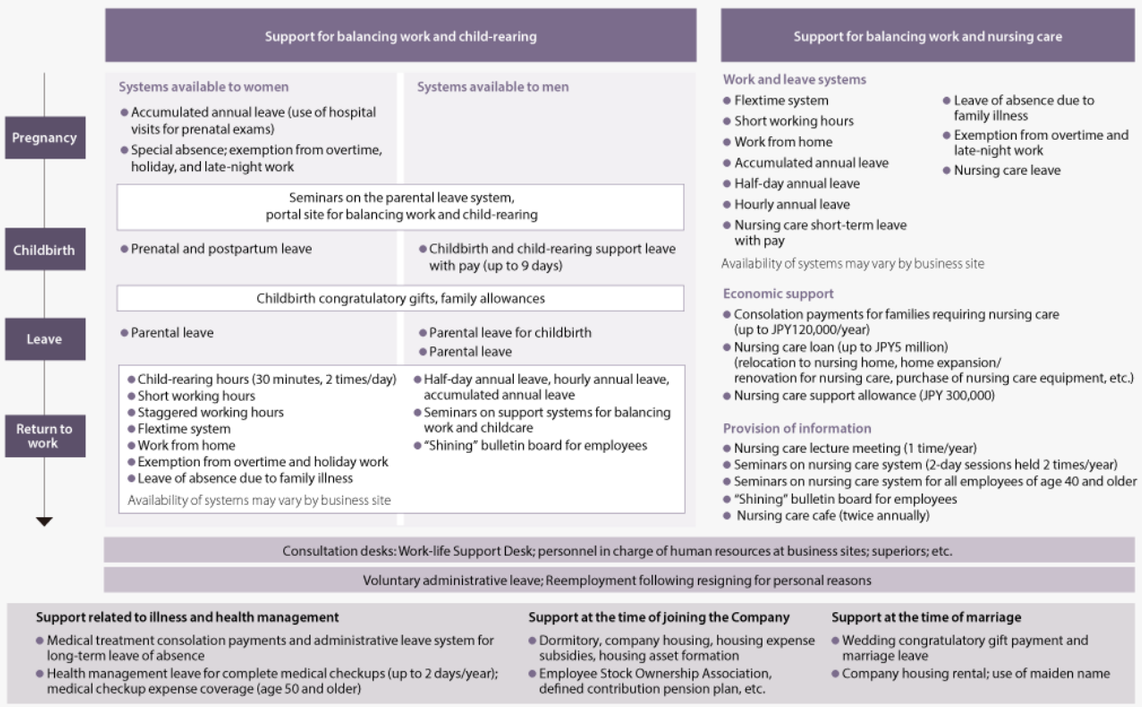
Creation of Workplaces Where Diverse Human Resources Can Play Active Roles (initiatives and development of systems)

Support Matched to Employees' Life Stages

GRI 401-2

Our Company offers support measures and systems matched to changes in life stages, such as joining the company, marriage, childbirth, childcare, nursing care, and medical treatment. We also provide consultation and opportunities for information provision through training.

■ Support Programs and Systems Matched to Employees' Life Stages



Development of Support Systems for Balancing Work and Child-Rearing, Nursing Care and Medical Treatment

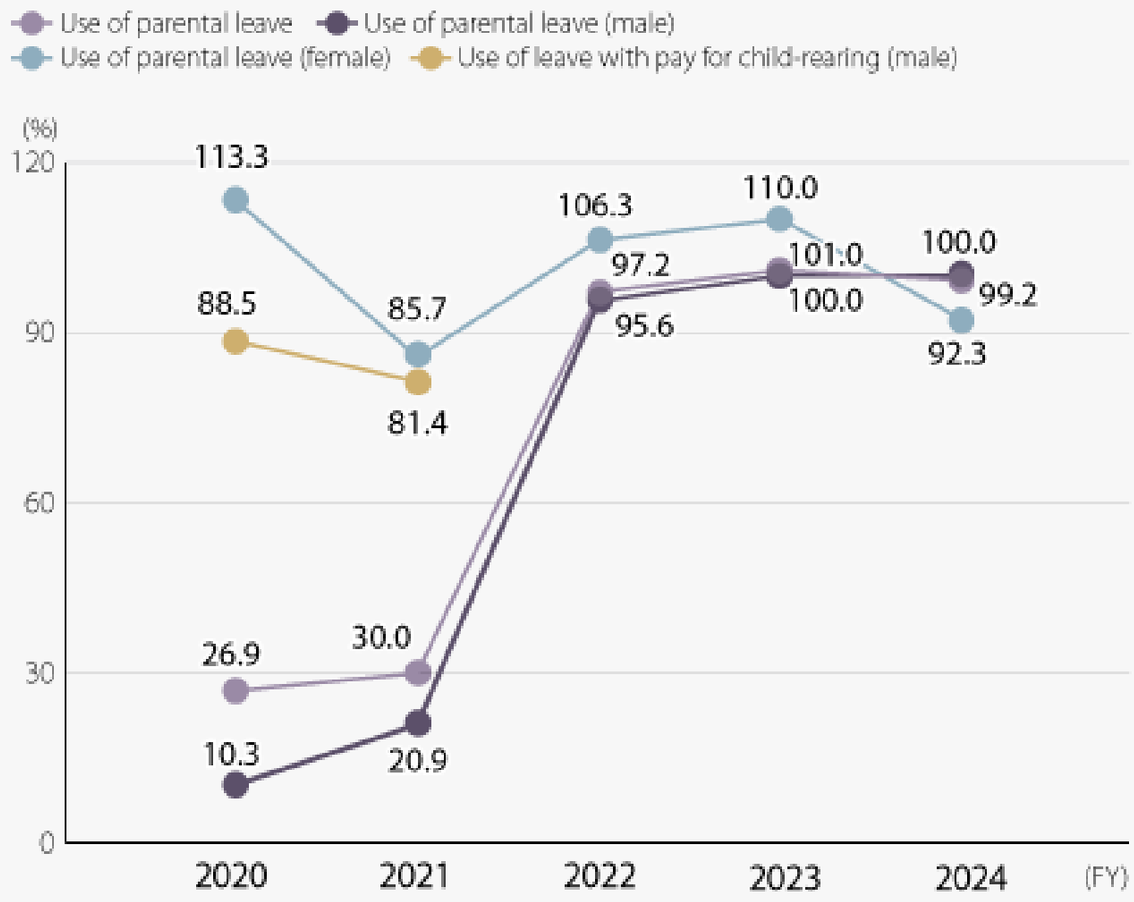
GRI 401-3

By enhancing our support measures beyond statutory requirements so that employees can balance work with child-rearing, nursing care, and medical treatment without worry, we are making efforts to create comfortable working environments. To ensure that all employees understand our internal systems—including those for child-rearing, nursing care, and medical treatment—and can effectively use them according to their individual circumstances, we provide information on these systems via the company's internal portal site.
We further hold seminars on support systems for balancing work and child-rearing, aimed at employees and their

supervisors before and after return from parental leave; seminars on the parental leave system to aid managers' understanding of systems associated with revision of the Act on Childcare and Caregiver Leave; and individual informational sessions on the parental leave system and interviews to confirm intent to take leave, aimed at employees who are expecting a child themselves or whose spouses are expecting.

Of 130 employees (117 men and 13 women) who were eligible to take parental leave in FY2024, 129 (117 men and 12 women) did so. The percentage of eligible employees taking parental leave was 99.2% (100.0% for men and 92.3% for women). (The percentage for women was below 100% because some female employees who gave birth in FY2024 had not started parental leave within the fiscal year.)

■ **Status of Taking Parental Leave**[1]



1 The percentage of parental leave taken may exceed 100% because those who took parental leave in the reporting year include those who gave birth in the previous year.
In FY2024 the percentage of women who took childcare leave was below 100% because the calculation includes those who gave birth during the fiscal year but had not yet commenced childcare leave within that period
Until FY2021 the percentage is only for those who took parental leave, but from FY2022 onward, the percentage (male) is for both those who have taken parental leave and those who have taken leave for child-rearing
Childbirth and child-rearing support leave: male employees can take leave to care for and support their spouse after the birth of a child. Seven consecutive days can be taken from the day of hospital admission, delivery, or discharge (up to nine days)
Male employees: number of employees who took parental leave (starting) in FY2024
Female employees: number of employees who took parental leave (starting) in FY2024
Male employees: number of employees who submitted a notification of birth to the Company for birth by their spouse in FY2024
Female employees: number of employees who gave birth in FY2024
Return-to-work rate: number of employees who returned to work in FY2024 ÷ number of employees who intended to return to work in FY2024 x 100
Retention rate: number of employees who returned to work in FY2023 and were still working at the Company 12 months later ÷ number of employees who returned to work in FY2023 x 100

Initiatives	Main content
Information sessions on support systems for balancing work and child-rearing (from FY2019)	We conduct these seminars for employees in the Head Office District who have returned to work from parental leave, as well as for their superiors and other applicants, with the aim of building understanding of the purpose and details of our in-house parental leave-related systems. From FY2022, we have provided explanations prior to employees' return to work regarding preparations for returning to the workplace and for balancing work and child-rearing
Seminars on the parental leave system (from FY2019)	We conduct these seminars for employees who are expecting the birth of a child, as well as for their superiors and, from FY2022, all managers. The seminars' aim is to extend understanding of systems associated with revisions to the Act on Childcare and Caregiver Leave and to foster a supportive workplace culture
Individual informational sessions on the parental leave system and interviews to confirm intent to take leave (from FY2022)	For employees who have provided notification of their own or a spouse's pregnancy, childbirth, etc., we hold these sessions in face-to-face or online format, attended by two or more people from the business site's human resources staff or from the DE&I Collaborative Creation Section of the Human Resources Department at the Head Office to explain the system and confirm their intention to take parental leave
Interviews before return to work	Before employees return to work, we conduct exchanges of information between the employees and their superiors to ensure trouble-free preparations for returning to work, balancing work and child-rearing, and readying systems in the workplace
Collection of case studies of men who took parental leave (issued in FY2023)	We distribute these case studies to male employees who are expecting a child to encourage them to take parental leave by informing them about how to spend their time during leave and the benefits of taking leave
Distribution of tablets	We provide tablets to employees on parental leave so that they can still access Company information while on leave

As understanding and cooperation by superiors and others in the workplace are indispensable in balancing work and nursing care, it is important to create an atmosphere that facilitates consultation with colleagues or superiors in the workplace and for each employee to have knowledge concerning the necessary preparedness and the Company's support systems for achieving that balance. To that end, in FY2018 we began holding seminars on balancing work and nursing care, have continuously been reinforcing measures to support this balance, and since FY2020, we have continuously been offering lectures by experts on nursing care and seminars on the Company's nursing care system, in order to reform awareness and to make the Company's nursing care-related systems known to employees.
In FY2024, we renewed and released the seminar on balancing work and nursing care as an introductory e-learning course titled "Basic Knowledge for Balancing Work and Nursing Care."
Questionnaire surveys conducted in 2015 and 2019 on awareness, the reality, and the needs of employees regarding nursing care uncovered issues in the workplace climate relating to acceptance of employees who provide nursing care, but these sources of concern are being eliminated through the creation of various support programs. Also, new initiatives have been launched since FY2023 including the establishment of a "nursing care cafe" as a forum for employees to exchange information and opinions on balancing work and nursing care. In FY2024, zero employees took nursing care leave, and 67 employees took nursing care short-term leave with pay.

■ Changes in the Number of Employees Taking Nursing Care Leave

		FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of employees who took leave	Men	0	1	2	2	1	0
	Women	2	1	0	0	0	0
Average number of days of leave taken		63.5	129.5	12.0	70.0	155.0	0

In recent years, advances in medical technology and the diversification of work styles have created a social environment where it is increasingly possible to continue working while receiving medical treatment. Our company considers the creation of a workplace where employees who require treatment can continue to work with peace of mind, without having to give up either work or treatment, as an important issue. Starting from FY2024, we have begun to concretely implement initiatives to support balancing work and medical treatment, such as holding in-house seminars on balancing work and cancer treatment, and providing information on topics like balancing work and infertility treatment through our internal portal site. Going forward, we will continue to expand the scope of applicable treatments and support measures, striving to realize a workplace environment where everyone can work in good health, with peace of mind, and vitality.

Work-life Support Desk

In April 2021, we established the Work-life Support Desk to respond to a wide range of requests for consultation from all Group employees and to provide support for resolving issues. These issues span not only harassment and human rights matters but also careers, human relations in the workplace, and balancing work with childcare and nursing care.

Diverse Work Styles for Older Employees

GRI 404-2

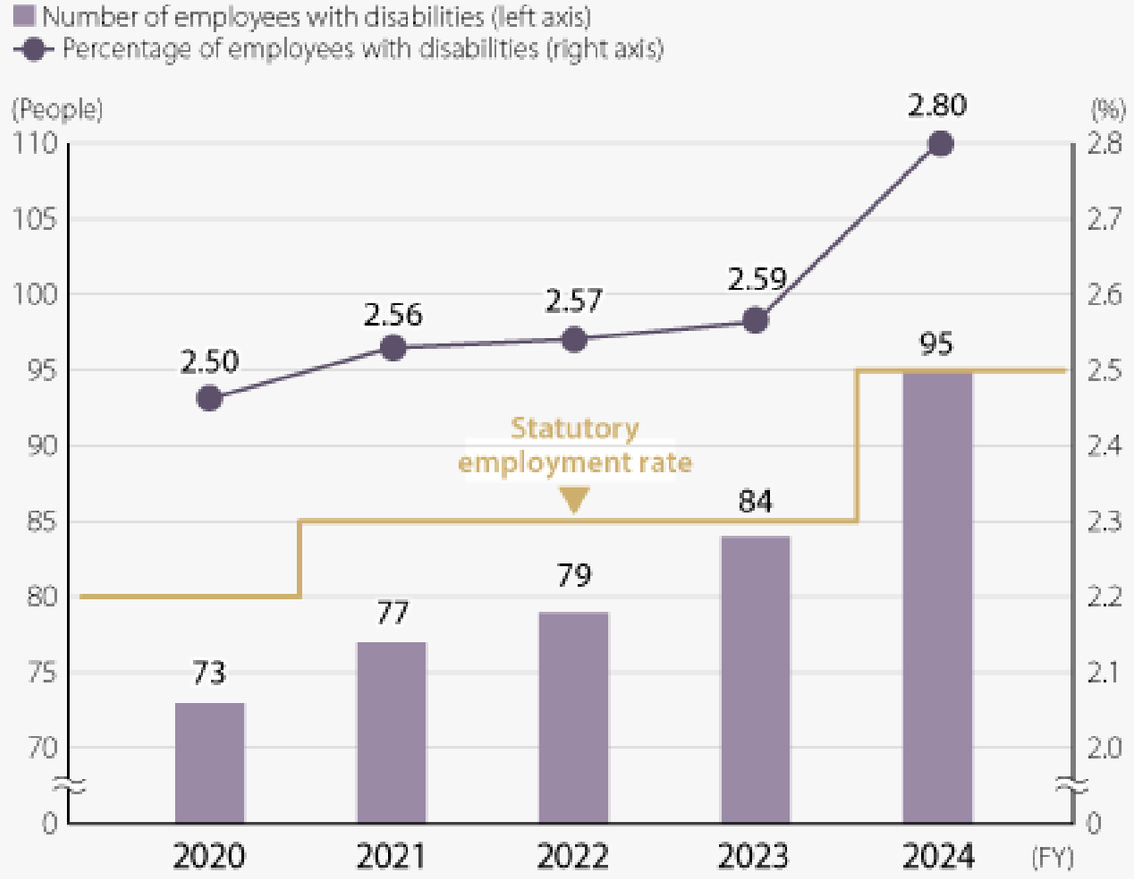
Through FY2020, we offered continued employment for employees reaching the age of 60 in the form of re-employment. From FY2021, we have changed the retirement age for general employees to 65, so that employees can remain in active roles for a longer time. In FY2023, we revised our managerial track personnel system so that senior employees can continue working past the retirement age of 65, up to age 70. By offering a variety of options, we are achieving diverse working styles.

Promotion of Employment for People with Disabilities

GRI 405-1

In addition to career recruitment, every year since FY2019 we have been accepting students from special support schools near our workplaces to take part in workplace experiences. By deepening understanding of our workplaces and work through the experience, we are increasing the number of students who feel confident in joining our Company. To support retention, we arrange periodic meetings with human resource staff one, three, and six months after joining the company and then once a year to examine ways of eliminating job-related anxieties and problems and to strengthen linkage with our employment support.
From the standpoint of undertaking reasonable considerations, we install PATLITE lighting systems on all floors to enhance visual communication for deaf employees, make use of speech recognition software, hold in-house sign language classes and workshops allowing non-disabled employees to experience simulated disabilities, eliminate level differences inside facilities, and make improvements to restrooms. By acting under the idea of normalization to create environments in which people with and without disabilities can work together, we are steadily increasing our percentage of employees with disabilities. As of June 2024, our percentage of employees with disabilities was 2.80%, which exceeds the statutory rate in FY2024 of 2.5%.

■ Number[1] and Percentage of Employees with Disabilities over the Past Five Years



Data is as of June 1 for each fiscal year, covering employees of Sumitomo Metal Mining Co., Ltd.

1 The number of employees with disabilities is calculated according to methods prescribed in the relevant laws

Increase in Foreign Employees

GRI 405-1

We believe that hiring foreign employees and promoting them as core personnel enhances the competitiveness of the organization and leads to improved adaptability to the global business environment, and therefore, we are taking measures to increase foreign employees. Foreign employees in managerial track positions numbered 15 at the end of FY2024. These employees are divided between technical occupations (research and development, engineering, manufacturing divisions, etc.) and clerical occupations (business divisions, corporate divisions, etc.), and are active in a range of workplaces and job categories.

In FY2023, we conducted a questionnaire to assess issues faced by foreign employees, along with interviews with those who wanted them. In FY2024, we studied measures to address the issues identified in FY2024 and will undertake initiatives to expand the number of foreign employees in managerial track positions.

Fostering an Inclusive and Supportive Workplace for LGBTQ+ Employees

GRI 405-1

Our Sumitomo Metal Mining Group Policy on Human Rights prohibits harassment and discriminatory treatment on the basis of sexual orientation. From FY2018 to FY2020, we held workshops aimed at deepening understanding of issues concerning sexual minorities. In FY2020, we began training for executive officers and managers aimed at promoting understanding of changes in the external environment and issues concerning sexual minorities, and have since been gradually expanding the target groups for the training.

In December 2024, we introduced a partnership system and issued corresponding guidelines, while also establishing an Ally[1] community.

Currently, approximately 70 members are registered in the Ally community, where activities include the creation of the Ally mark and information exchange. These initiatives have been highly evaluated, and our company was awarded the highest Gold rating in the PRIDE Index for FY2024, which assesses initiatives related to sexual minorities.

1 Ally refers to someone who understands and supports minorities such as LGBTQ+. The term originates from the English word “alliance,” meaning “ally” or “support,” and describes individuals who express their support for and understanding of minorities.

Labor-Management Relations (freedom of association and collective bargaining)

GRI 2-30 / 402-1 / 407-1 / G4-MM4

Basic Approach

In the Sumitomo Metal Mining Group Policy on Human Rights and the SMM Group Code of Conduct, we stipulate respect for the basic rights of employees as indicated in the International Bill of Human Rights and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

Dialogue between Labor and Management (Japan)

The Company and Group companies in Japan have built solid labor-management relations over the years and engage in trouble-free discussions. The collective agreements concluded between the Company and the Federation of Sumitomo Metal Mining Workers Unions guarantee that labor unions have basic labor rights, including freedom of association and workers' right to collective bargaining. At unionized sites of our branch offices and domestic Group companies, most unions are active under the Federation of Sumitomo Metal Mining Workers Unions. In Japan, based on union shop agreements, all general employees except managers are eligible to join. As of March 31, 2025, labor union membership was 56.0% in Japan and 58.0% for the entire Group in Japan and overseas.

In order for the Company and labor unions to respect each other's position and build positive labor-management relations based on trust, the Company holds labor-management council meetings, labor-management discussions, and other meetings with labor unions and employee representative organizations at all business sites at least once a month, and set regular opportunities to explain management conditions and take in opinions and requests from employees. In response to requests regarding improvements to occupational health and safety and working environments, we enact necessary improvement measures after confirming situations. We also hold a Central Labor-Management meeting at least once a year as meetings between the Company's management team and the executives of labor unions under the Federation of Sumitomo Metal Mining Workers Unions.

From February to March every year, the Company and the Federation of Sumitomo Metal Mining Workers Unions negotiate working conditions including wages and bonuses for the following fiscal year.

We have also established individual Labor-Management Advisory Committees for specific themes such as human resource systems, wages, shorter working hours, benefits, and occupational diseases. In Labor-Management Advisory Committees, labor and management together investigate, examine, and solve issues under themes on which both sides have reached consensus. The results of the committees' examinations are reported to representatives of labor and management. Agreements, arrangements, confirmations, and so on reached through consultations or discussions between labor and management are made public and made known to employees through an internal portal site after conclusion.

Content of Discussions with the Federation of Sumitomo Metal Mining Workers Unions (initiatives in FY2022-FY2024)

- Expansion of nursing care support systems and broadening of eligibility requirements for disaster leave
- Initiatives to promote health and revision of requirements for measures to alleviate the burden of transfers
- Revision of the managerial track personnel system, review of wage levels, review of the family allowance system, payment of cost-of-living allowances
- System for remote assignment away from family (relaxation of requirements, increase in allowance), housing-related systems (relaxation of requirements, increase in allowance, decision on new dormitory maintenance fees)

Dialogue between Labor and Management (Overseas)

GRI 407-1 / 408-1 / 409-1

Among our overseas consolidated subsidiary companies are four that have labor unions. As of March 31, 2025, the labor union membership at these subsidiaries was 65.7%. Overseas, we assess the state of unionization through questionnaires and track on-the-ground labor-management conditions and engage in exchanges of ideas through seconded employees assigned by the Company to overseas posts. On issues of importance to labor and management, we conduct discussions by both sides and reflect the opinions of both in reviews of measures and the formulation of new systems, in accordance with the laws and regulations of relevant countries and regions. As a result of such efforts, in FY2024 there were no reports of cases of child labor or forced labor, serious infringements on freedom of association, or plant closures due to causes such as strikes in our Group, either domestically or overseas.

Notification of Reassignment, Secondment, and Transfer in Work

The collective agreement we have concluded with the Federation of Sumitomo Metal Mining Workers Unions stipulates that when employees are reassigned, seconded, or transferred in large numbers for reasons of business, the Company will discuss basic matters with the labor union. The agreement also stipulates that when employees are reassigned, seconded, or transferred, the Company will promptly notify the individuals concerned and the labor union regarding the destination.
In FY2024, we transferred all shares of one domestic consolidated subsidiary to another company, resulting in the employees of the subsidiary moving to the new company. With the cooperation of the labor union, the share transfer was completed smoothly.

Labor-Management Agreements to Improve the Level of Occupational Health and Safety

GRI 403-4

Collective agreements concluded between the Company and the Federation of Sumitomo Metal Mining Workers Unions stipulate the assurance of occupational health and safety, the establishment of Occupational Health and Safety Committees, education, training, health checkups, and other matters. Through cooperation between management and labor, we are working to improve the level of occupational health and safety. Occupational Health and Safety Committees formulate annual plans for occupational health and safety activities, check progress under the plans, examine measures to prevent occupational accidents and their recurrence, and share information on the use of health checkups, with the goal of creating an environment for working with safety and good health.

Occupational Health and Safety

GRI 3-3

Because our Group's business activities involve working at heights and handling large equipment, heavy machinery, and chemical substances, employees are exposed to the risks of occupational accidents, including fatalities, and health hazards. On the other hand, an environment in which employees can work in safety and with security is one of the most important management elements that leads to greater employee motivation and stronger relationships of trust between employees and the Company. Therefore, the SMM Group aims to create comfortable and safe workplaces, including at our contractors, and is further advancing its equipment intrinsic safety measures and has begun introducing advanced technologies including the IoT[1] and AI (Artificial Intelligence).

1 Internet of things: Connecting many different types of things via the Internet to provide various services.

Occupational Health and Safety Policy, Targets and Results, and Action Plan

GRI 3-3

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

■ **Occupational Safety Goals and Results**

	2024 Results		2025 Targets	
1. Occupational accidents	Serious accidents (resulting in 3 months or more of absence from work)	All accidents	Serious accidents (resulting in 50 days or more of absence from work)	Accidents (excluding lower back pain and heatstroke) resulting in 4 days or more of absence from work
1) Japan Group employees	2 cases Target: 0 cases	22 cases Target: 7 cases or less	0 cases	2 cases or less
2) Japan contractor employees	0 cases Target: 0 cases	7 cases Target: 2 cases or less	0 cases	1 case or less
3) Overseas business site employees	0 cases Target: 0 cases	0 cases Targe: 1 case or less	0 cases	0 cases
2. Traffic accidents				
Traffic accidents caused by employees resulting in injury or death	8 cases Target: 6 cases or less		6 cases or less	

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 2 serious accidents (resulting in 3 months 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 due to lapses in adherence 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 Occupational Safety Plan

To curb frequent accidents—including the serious accidents that occurred in 2024—we will further strengthen our ongoing equipment-improvement initiatives and reinforce our safety management capabilities. Also, to strongly emphasize the prevention of serious accidents, we have revised our targets as shown below and will implement safety activities to achieve them.

Serious Accidents:
The criterion for serious accidents has been changed from the previous milestone of 3 months (set in 2021) of absence to 50 days or more of absence from work.
Accidents resulting in 4 days or more of absence from work:
The target has been changed from the total number of all accidents to the number of accidents resulting in 4 days or more of absence from work, which require reporting to the Labor Standards Inspection Office (excluding lower back pain and heatstroke).

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 Health Policy

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

■ **Occupational Health Goals and Results**

	FY2024 Results	FY2025 Targets
1. Dust, lead, and specified substances		
1) Number of Control Class 3 workplaces	0 Target: 0	4 or less
2) Number of Control Class 2 workplaces	Reduced (CY 2023: 7→CY 2024: 2) Target: Reduced	
2. Noisy workplaces		
Control Class 3 workplaces with a workload value of 1 or more	3 Target: 1 or less	1 or less
3. Employees with work-related ill health		
Number of ill employees (requiring treatment)	0 Target: 0	0

Outcomes of 2024 Initiatives

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.

Action Plan for 2025

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

Occupational Health and Safety Risk Assessments and Countermeasures

Risk Assessments

GRI 403-2

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.

Inspections, Patrols

The head of the business division with jurisdiction conducts annual patrols of the business site, including affiliated companies under his/her jurisdiction, to confirm that health and safety management is being properly implemented (in 2024, 105 inspections were conducted at 46 business sites in Japan and overseas). In principle, once a year, the General Manager of the Safety & Environment Control Department or his/her designate conducts a security, safety, and occupational health management inspection of each business site, and reports the results to the president, the head of the business division with jurisdiction over the business site, and the head of the business site (in 2024, 25 inspections were conducted at 25 of the 47 business sites in Japan covered by the safety statistics). Furthermore, in the event of a serious accident or disaster, an on-site investigation is conducted immediately (in 2024, 17 inspections were conducted at 13 business sites).
Each business site conducts safety patrols by business site supervisors, work observation patrols at each workplace, and safety activities in small groups. Some workplaces receive guidance from outside instructors to check and improve dangerous locations at the site.

Implementation of Occupational Health and Safety Education

GRI 403-5

■ Education and Training Related to Occupational Health and Safety

Legally mandated education	We conduct education at the time of hiring as well as special training and training when starting hazardous or potentially harmful work.
We conduct education at the time of hiring as well as special training and training when starting hazardous or potentially harmful work.	In addition to legally mandated training, the following training is provided. ● Education to foster qualified personnel (e.g., health and safety managers, industrial counselors) ● Manager training (training for newly appointed site managers, training for safety managers on the section manager level and above at the time of selection, etc.) ● Hazard simulations, internal workshops, small group activities (e.g., development of occupational accident case studies) ● JCO Study Center training, lectures from external workshops (e.g., lifesaving and first-aid, drunk driving prevention)

Education in Hands-on Training Facilities

GRI 403-5

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 Facility. By the end of 2024, a total of 590 participants, mainly Filipino employees and partner company staffs, have completed the training.

Number of Employees Using the Oji-kan Facility and Attending On-site Training (as of the end of 2024)

Oji-kan Facility users		23,100
(Breakdown)	Group companies in Japan	18,479
	Contractors	4,502
	Overseas business sites	119
Attendees of on-site training		11,053
Total		34,153

External Communication

We participate in the health and safety committees of the Japan Mining Industry Association and Kyohokai[1] to obtain information on legal revisions and response methods, and to introduce the latest health and safety technologies and improve the level of health and safety through reciprocal visits of members' factories and by developing good practices. We also use outside consultants to conduct safety culture assessments at SMM Group's major business sites, and the Safety & Environment Control Department presents the results to the business sites and discusses them to improve safety initiatives.

1 Kyohokai: Consists of more than 200 contractors for Toyota Motor Corporation

Commendation for Achievements in Security, Occupational Health and Safety, and Environmental Preservation

Once per year, the Company presents certificates of merit to individuals or workplaces that have demonstrated significant achievements in security, occupational health and safety, and environmental preservation and that are recognized as models for others.

Commendations in FY2024

- Excellent Employees
  Sumiko Resources Exploration & Development Co., Ltd. (41 people), Harima Refinery (51 people)
- Long-term Zero Accidents
  Harima Refinery, Sumiko Technical Service Co., Ltd., Sumico Lubricant Co., Ltd. Mie District Division, Niihama Electronics Co., Ltd., GRANOPT Co., Ltd.

Co-Existence and Mutual Prosperity with Local Communities and Indigenous Peoples

GRI 2-22 / 3-2 / 3-3

Background

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.

Strategies

The SMM Group recognizes the importance of utilizing our experience in resource development and smelting to avoid or minimize adverse impacts on local communities in the areas where we operate, and to contribute to their sustainable development. To this end, we will foster dialogue with local communities, including indigenous peoples, in all areas where we operate, identify issues facing those communities, and work to contribute to their resolution.

KPI/Target/Result

Vision for 2030 **A company that grows with the community as a trusted partner**

KPI	Reporting boundary	Target (FY2030)	FY2024 results
Dialogue with local communities and indigenous peoples	SMM Group	Continuous implementation of dialogue leading to the resolution of local issues	Dialogue with local residents and indigenous peoples: 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 local communities and indigenous Peoples ›

Support for local community revitalization ›

Related Links

Social Data

Dialogue with Local Communities and Indigenous Peoples

Engagement with the Local Community

GRI 2-24 / 2-25 / 2-29 / 203-2

In collaboration with the Ome District Division and Tama University Research Laboratory, we implemented a model project on dialogue and collaboration under the Local Community Contribution Assessment initiative. The purpose of the survey is to identify local issues through research, and then to develop, implement, and evaluate programs that contribute to solving these challenges in a way that reflects our company's unique approach, and evaluate their effectiveness.

Handling Complaints and Inquiries from the Local Community

GRI 2-26 / 413-2 / G4-MM7 / G4-MM9

Should the development of mines and related facilities necessitate the resettlement of local community members, we offer them substitute properties and secure their understanding beforehand. The Hishikari Mine relocated three local households between 1983 and 1989. Taganito HPAL (THPAL) relocated 41 households living in the impacted area.[1]
We are considering implementing a human rights due diligence program for local communities.
When complaints are received from government agencies or local communities at any of our business sites, we respond appropriately and share the information with relevant departments within the Company. Additionally, the details of all complaints are reported to the relevant departments of our company every six months. In fiscal year 2024, our Group received five complaints from local communities, all of which were handled appropriately.
When mines have been suspended or closed in the past, we have taken measures such as constructing plants for different business ventures to help maintain local employment. For example, following the depletion of resources that led to the closure of mining operations, the Kunitomi Mine, which had previously operated as a smelter, ceased smelting in 1973 and was subsequently converted into a manufacturing plant for electronic component materials. Today, under the name Sumiko Kunitomi Electronics Co., Ltd., it provides high-quality products including crystal materials and magnetic materials.

1 The relocation was planned in accordance with the World Bank's Operational Policy on Involuntary Resettlement, with the consent of all residents, and was completed by December 2010.
Even after relocation, we continue to support residents through repair and maintenance of housing, as well as livelihood recovery programs designed to equip them with the skills and knowledge to maintain long-term income.

Dialogue with Indigenous Peoples

GRI 2-24 / 2-25 / 411-1 / G4-MM5 / G4-MM6 / G4-MM7

Because mining development and smelting and refining operations have a significant impact on the environment and local communities, they pose a risk of infringing upon the rights of indigenous peoples living in those areas, who are generally in a vulnerable position. For this reason, we believe that gaining the understanding and trust of indigenous peoples is a fundamental prerequisite for conducting our operations. Our Group is committed to respecting international norms such as the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), which advocates for consideration of the right to Free, Prior and Informed Consent (FPIC), one of the distinctive rights of indigenous peoples, and the position statements of the International Council on Mining and Metals (ICMM). While cooperating with relevant stakeholders such as local governments in our areas of operation, we aim to foster mutual understanding and trust with indigenous peoples. We will continue dialogue based on an understanding of their traditions and cultures.
In the Philippines, following extensive consultations with stakeholders, including government authorities and local communities, we obtained Environmental Compliance Certificates and commenced operations at Coral Bay Nickel Corporation (CBNC) in 2005 and Taganito HPAL Nickel Corporation (THPAL) in 2013. Even after operations began, we established dedicated organizations to implement local social development initiatives in accordance with applicable laws and regulations, and continue to operate a Social Development and Management Program: (SDMP). Specifically, CBNC regularly exchanges information with 22 barangays[1], including 11 impact barangays around Rio Tuba, while THPAL regularly

exchanges information with 14 barangays, including four nearby impact barangays. Based on these exchanges, budgets are allocated to areas such as health, education, welfare and livelihood, and with approval from the local government, we provide services including free health checkups, medical treatment, and agricultural support. We also allocate separate budgets for activities not included in the SDMP, such as building schools and community centers for indigenous peoples to help preserve their culture and unique languages.

In Canada, we collaborated with our partner, IAMGOLD Corporation on the Cote Gold Project which entered the construction phase in 2020. We provided preliminary explanations for each permit to help affected indigenous groups understand the project and maintained ongoing dialogue throughout the process. Through participation in cultural training and other events organized by indigenous groups, we fostered mutual understanding and trust, which ultimately led to the conclusion of an Impact Benefit Agreement. At present, we are working together with indigenous groups and project partners to create a new lake matching the surface area of the one located at the proposed development site. As part of our biodiversity conservation efforts, aquatic species from the existing lake are being relocated to the new lake and adjacent water systems.

There have been no reports of serious conflicts concerning land use or the customary rights of indigenous peoples in the vicinity of any mines or smelters and refineries where we hold more than a 50% interest. Additionally, no complaints have been received through channels such as JaCER (grievance remedy platform) regarding this matter.

1 The smallest local government unit constituting cities and towns in the Philippines, and denotes a village, district, or ward

Implementation of In-house Education on Indigenous Peoples

GRI 2-24 / 2-25

The SMM Group provides in-house education to ensure that employees understand who indigenous peoples are and how the Group should handle the rights of indigenous peoples. The education aims to help employees understand these issues as matters they themselves are involved in, through messages from top management and case studies from our Group.

With guidance from experts, we will continue our initiatives to further deepen the understanding of our Group employees on the traditions and cultures of indigenous peoples.

Dialogue with Experts, NGOs and NPOs

GRI 2-29

We work to raise the direct contribution we make to the local economy through measures such as recruiting from areas surrounding our business site and procuring from local suppliers, and we also contribute to improving the living standards of these communities, particularly in emerging nations, by providing infrastructure such as roads and ports, building needed facilities, building and operating public facilities such as schools, hospitals, and marketplaces, providing teaching materials as educational support and the goods required to operate facilities, supporting free healthcare for local communities, and promoting activities that help households to support themselves. When implementing these measures, we establish opportunities for regular communication with local communities and move forward while also checking the requirements of residents. In addition, twice a year we exchange opinions with the international environmental NGO FoE Japan regarding issues such as the water quality of rivers around Coral Bay Nickel Corporation (CBNC) and Taganito HPAL Nickel Corporation (THPAL), in the Philippines. Those opinions and recommendations are referred to when implementing necessary improvements.

Support for local community revitalization

Strengthening the Foundation for Social Activities in Communities

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 Division, 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, approximately 60 participants in 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 addition, we began an initiative to support activities assisting inquiry-based learning at high schools in the Tama area. In the future, we will support the expansion of networks that promote further value creation in the local community. 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 (52 participants) hosted by Tama University to support collaboration between teachers in the Tama area.

■ **Example of Leadership Development and Training Programs**

Program	Overview	Beneficiaries (stakeholders)	Contribution amount (in local currency)	Number of participants/ subjects
Ome-Hamura Corporate Social Contribution (OHSC) Project	Study session with Social Welfare Councils, local government, and businesses (Ome/Hamura)	Users of local employment support facilities for people with disabilities	—	—
Construction and improvement of public school facilities and child development facilities (Philippines)	Construction and improvement of public school facilities and child development facilities	Public schools' students and teachers Child development learners and workers	9,598,431 (PHP)	—
Support for ALS/NFLS para-teacher (Philippines)	Support the gap of student-teacher ratio in public schools and other learning centers in our partner community	Qualified para-teachers, CDWs and instructors	4,007,394 (PHP)	107
Taganito Barangay Development Council (BDC) capacity building (Philippines)	Provide capacity development programs to the members of the Taganito BDC.	Barangay Taganito Community	1,000,000 (PHP)	25
Indigenous peoples skills training program (Philippines)	Provide business management training to organizations formed by indigenous peoples.	Indigenous Communities in the barangay Urbiztondo	—	24

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 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.

■ Examples of Next-Generation Development Programs

Program	Overview	Beneficiaries (stakeholders)	Contribution amount (in local currency)	Number of participants/ subjects
JEES・Sumitomo Metal Mining Scholarship (Japan)	Scholarships for financially disadvantaged students committed to contributing to four domestic business site regions; program supports community activities by recipients	Financially disadvantaged students committed to contributing to four domestic business site regions	115,400,000 (JPY)	39
Inquiry learning support (Tokyo, Japan)	Supporting first-year students in inquiry-based learning through creating corporate PR materials	Tokyo Metropolitan Akirudai High School first-year students	—	230
Outreach lessons (Ehime, Japan)	Introducing the history of Sumitomo, which has developed together with the local community	All fourth-grade elementary school students in Niihama City	—	903
Scholarship program (Philippines)	Provide scholarships to university, high school, and elementary school students in need of financial assistance.	University, high school, and elementary school students in the Bataraza Barangay	43,961,200 (PHP)	1,459 (Indigenous people: 68%)
Provision of school supplies and materials (Philippines)	School supplies for elementary pupils and Child Development Centers (CDCs)	Identified IP learners, public schools and CDCs	1,932,274 (PHP)	764
Scholarship program (Philippines)	Scholarships for indigenous students, and for students aiming to become police officers or teachers, or majoring in chemistry or mechanical engineering	Students from nearby communities, students in the Municipality of Clave, and students from other municipalities	13,515,000 (PHP)	1,389 (Indigenous people: 1.2%)
Sumitomo Metal Mining Oceania supported Scholarships (Australia)	Scholarships for university students under 30, with recipients offered work experience opportunities at Northparkes Mine.	University students under the age of 30 in Central West NSW	9,000 (AUD)	3
Scholarship Univ. Atacama (Chile)	A scholarship program for female science students at the University of Atacama	Female science students at the University of Atacama	4,000,000 (CLP)	8
Social Responsibility Committee in Thang Long Industrial Park II (Vietnam)	Provide scholarships to elementary and junior high school students in the area where the business is located	Elementary and junior high school students in the area where the business is located	6,000,000 (VND)	9

Supply Chain Management

GRI 2-22 / 3-2 / 3-3

Background

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.

Strategies

The SMM Group is committed to obtaining international certification for responsible procurement and production at its manufacturing sites, with the aim of preventing and remedying human rights violations, environmental pollution, corruption, and other issues in its supply chain. In addition, we will seek to provide assistance to stakeholders through a complaint handling system (grievance mechanism) that is in line with international norms.

KPI/Target/Result

Vision for 2030 **A company that builds a sustainable supply chain**

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

Initiatives for Responsible Mineral Production and Sourcing

Initiatives Related to Sustainable Procurement

Related Links

Social Data

Policy on Human Rights

Mineral Sourcing Policy

Sustainable Procurement Policy

Initiatives for Responsible Mineral Production and Sourcing

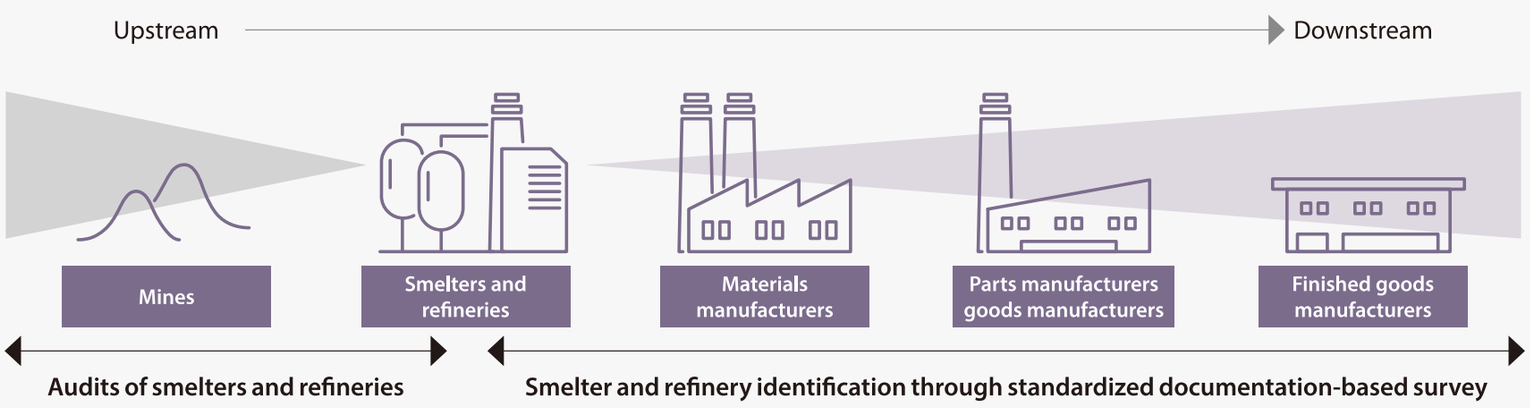
GRI 2-24 / 2-25 / G4-MM8

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 downstream, 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 in number.

From the smelter to the upstream mining, third-party audits in accordance with international standards are regularly conducted to assess our system for responsible mineral sourcing, including risk assessments of our suppliers. Because audit standards differ depending on the mineral, we are taking steps to meet the respective standards by conducting due diligence, establishing internal systems and regulations, and providing internal training. The table below shows the status of third-party audits at our smelters and refineries.

For finished product manufacturers located downstream from smelters, a standardized survey is conducted to trace and identify the smelters that processed the minerals used in final products. In response to these surveys distributed by customers as part of their efforts to trace their supply chains, we have established an internal approval process and are working to ensure consistent and unified responses across our Group. In FY2024 we responded to 378 surveys.

■ Responsible Mineral Sourcing Initiatives Promoted by the RMI



■ Status of Third-Party Audits at Our Smelters

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

Please refer to the policies and reports at the bottom of the linked page for details on the certification results
https://www.smm.co.jp/en/sustainability/management/procurement/
There are no instances of artisanal and small-scale mining (ASM) within or adjacent to SMM business sites

Initiatives Related to Sustainable Procurement

GRI 2-24 / 2-25 / 308-2 / 414-2

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

› Sumitomo Metal Mining Group's Sustainable Procurement Policy

■ SMM Response Concerning Johnny and Associates (currently SMILE-UP.)

Our human rights policy provides that if a supplier or other stakeholder is involved in an adverse impact on human rights, we will encourage that stakeholder to not engage in any violation of human rights and we cooperate with corrective or remedial measures.

We believe that the sexual abuse committed by the late Johnny Kitagawa, former president of Johnny and Associates, Inc. (currently SMILE-Up.), constitutes a violation of human rights and cannot be tolerated.

SMM had a business relationship with Johnny and Associates through its supply chain in the area of corporate advertising, and as a company that was in a position to mitigate human rights risks in supply chains, we requested that Johnny and Associates take corrective action. We also performed periodic monitoring and reported our assessment to the firm.

The artist that we had engaged became independent from the agency in November 2023, and we currently do not have any business relationship with the agency.

For details, please refer to the following SMM press release.

› Our response to SMILE-UP. and others. (Follow-up)

Business and Human Rights

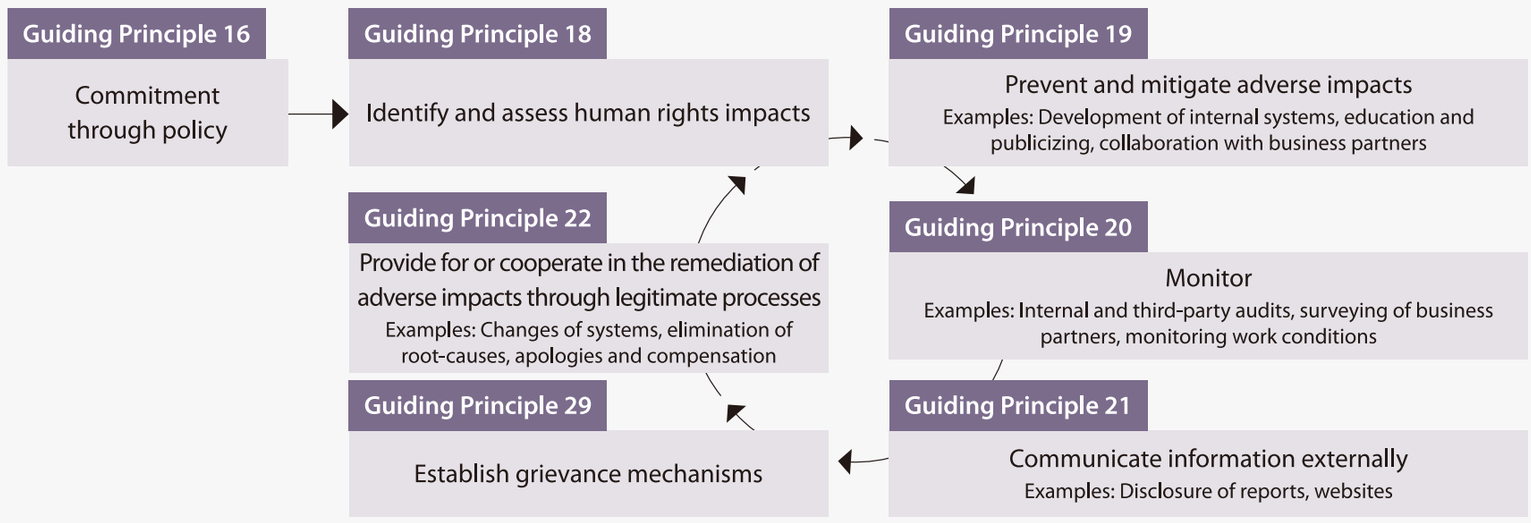
Basic Approach

GRI 2-25 / 3-3

Because the mineral resources industry necessitates large-scale development, impact on local communities is significant. Additionally, the development of mineral resources especially poses the risk of human rights abuses, such as child labor. Given the nature of our business, the SMM Group focuses its efforts on respecting the human rights of three stakeholder groups: local communities and indigenous people, supply chain employees, and SMM Group employees.
The SMM Group supports the UN's Guiding Principles on Business and Human Rights, and made "respect for all individuals as the basis" part of its Corporate Philosophy. Based on the SMM Group Policy on Human Rights, we conduct due diligence and operate grievance (remedy) mechanisms.

■ Process for Initiatives Regarding Business and Human Rights

Initiatives relating to business and human rights based on the UN Guiding Principles are organized in the figure below. The SMM Group conducts due diligence and operates grievance mechanisms in accordance with our human rights policy and discloses the details in sustainability websites and other formats.



The Sumitomo Metal Mining Group Policy on Human Rights

GRI 2-23 / 2-24

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: freedom of association and the effective recognition of the right to collective bargaining; the abolition of all forms of forced or compulsory labor; the effective abolition of child labor; the elimination of discrimination in respect of 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.

Human Rights Due Diligence

GRI 2-25 / 3-3

Our Group conducts human rights due diligence (DD) in accordance with the OECD Due Diligence Guidance for Responsible Business Conduct, and other standards.

Grievance Mechanism

GRI 2-25 / 2-26

With respect to handling grievance (remedy) mechanisms, the Group established an internal reporting system for 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. SMM 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 an Investigation Panel consisting of independent experts.

● Grievances received by JaCER about the Group: 0 cases (FY2024)

JaCER

Human Rights of Employees

Approach and Policy

The SMM Group takes action in accordance with its human rights policy to prevent not just violations of human rights, such as child labor and occupational health and safety at Group mines, smelters, and other facilities, but also the occurrence of workplace discrimination and harassment.

In-House Education on Human Rights

GRI 2-24

As stated in our Corporate Philosophy, we place respect for people at the core of our activities, recognizing each person's dignity and worth. In our pursuit to become a bright and vibrant company, every year we set December as Human Rights Month, and we hold human rights training programs throughout the Group.

We aim to create a workplace that realizes DEI, where we accept our different attributes, backgrounds, and experiences, and we inspire one another and grow together. As unconscious bias, prejudice, and stereotypes can become obstacles in achieving DEI and the cause of harassment, we held a training session titled "Microaggressions: Casual Remarks can Unintentionally Hurt Others—The Key is to Notice, Learn, and Change" at various workplaces in FY2024.

Related Links

The Sumitomo Metal Mining Group Policy on Human Rights

Compliance

Approach and Policy

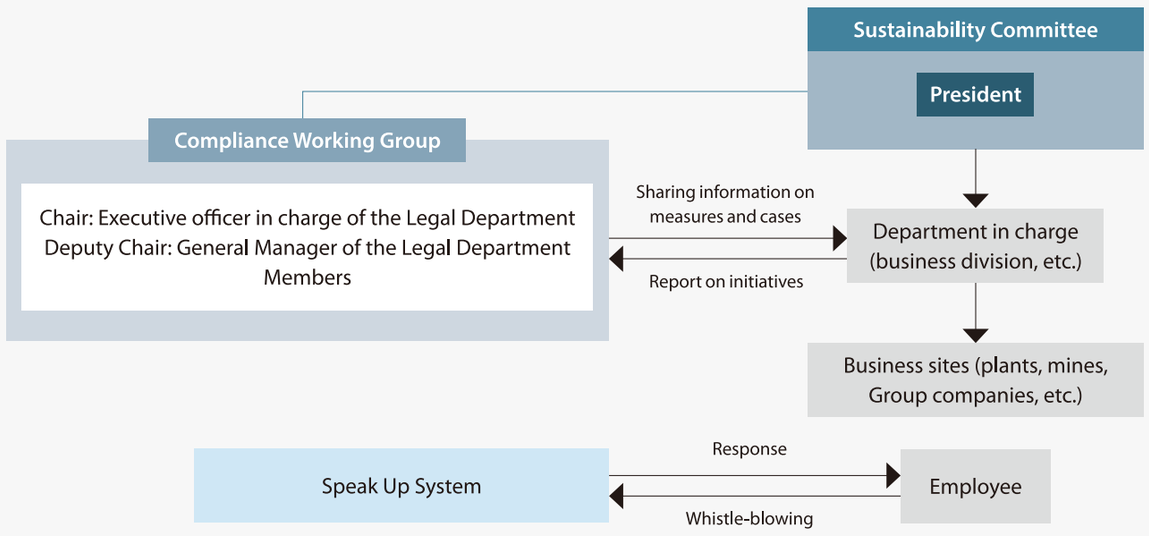
The SMM Group has established the SMM Group Code of Conduct to facilitate the realization of its Corporate Philosophy of contributions to society and the fulfillment of its responsibilities to its stakeholders through the performance of sound corporate activities, aiming to thereby make the Group an increasingly trusted corporate presence. In this Code of Conduct, we have established specific guidelines on conduct for officers and employees, and indicated compliance as fundamental to our corporate activities. Together with the Code of Conduct, the Basic Compliance Regulations set out a fundamental framework for compliance. Further, we have established the following policies and regulations regarding individual focus areas such as human rights and procurement, which are shared across the Group.

- The Sumitomo Metal Mining Group Policy on Human Rights
- Sumitomo Metal Mining Group's Sustainable Procurement Policy
- Sumitomo Metal Mining Group's Basic Policy on Taxes
- Sumitomo Metal Mining Group's Basic Policies for Anti-Bribery
- Basic Policy for Compliance with Competition Laws
- Regulations on Insider Trading Prevention and Information Management
- Regulations on the Safeguarding of Personal Information
- Regulations for Export Control
- Regulations on the Whistle-Blowing System (Speak Up System)

Compliance-Related Management Framework

With the president bearing ultimate oversight responsibility for compliance, we strive to promote compliance through our organizational structure. The Compliance Working Group, which operates under the Sustainability Committee and is served by the Legal Department as secretariat, regularly conducts deliberations and exchanges information on material issues related to compliance. A system is in place whereby measures and case studies shared in the Working Group are communicated through Working Group members to respective divisions, and we are currently consolidating the framework to use this information in daily operations.
In FY2024, we set "Prevention of the Tampering of Analysis and Measurement Results" as a compliance goal. Based on this goal, we set the establishment of business processes to prevent misconduct—the analysis of existing processes and the identification and correction of processes that could lead to misconduct—as a priority initiative. We also promoted initiatives based on this initiative within each division and their respective subsidiaries (including overseas subsidiaries).

■ Management Framework Chart



Compliance Issues and Our Response

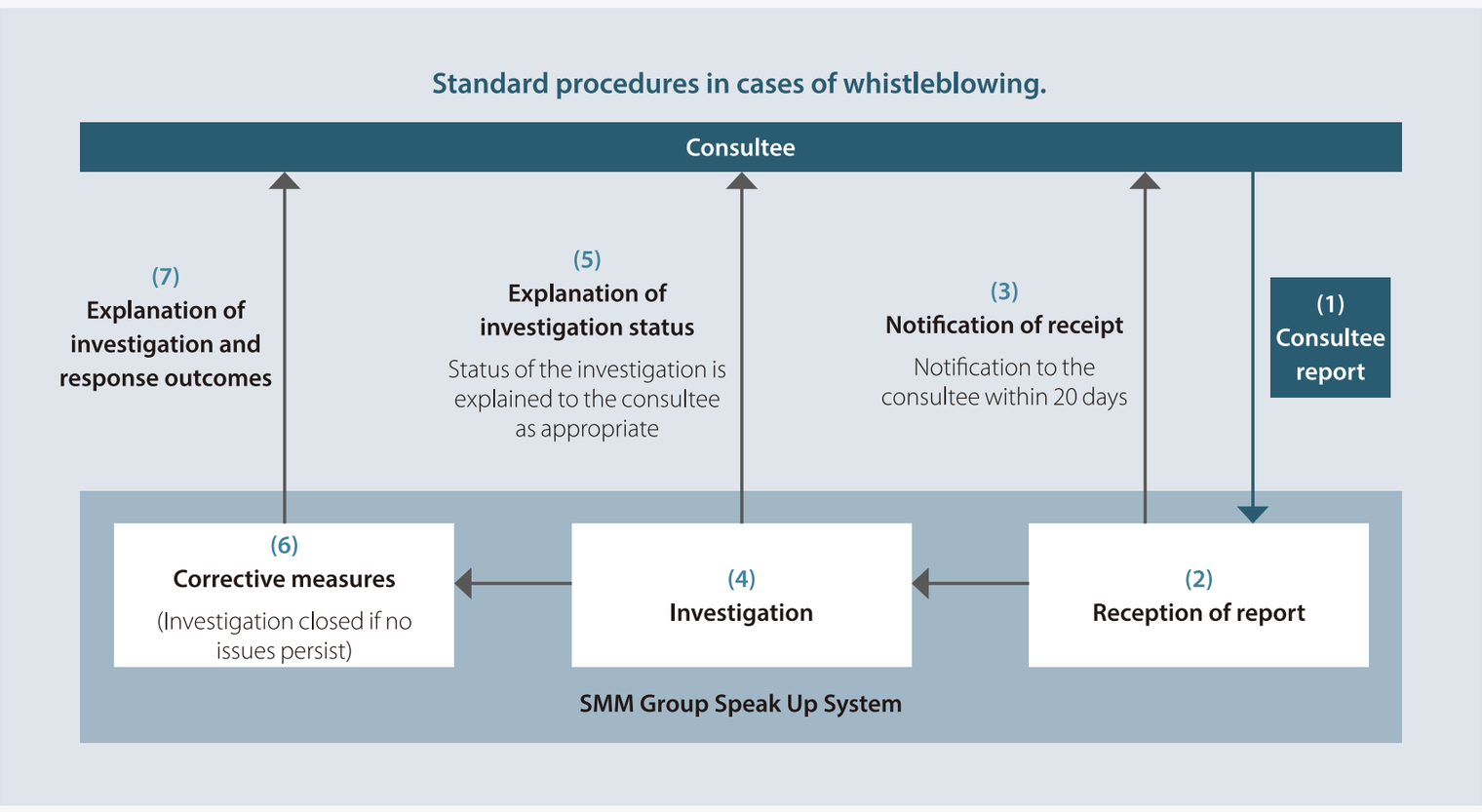
GRI 2-16 / 2-25 / 2-26 / 2-27 / 205-2 / 205-3 / 206-1 / 207-2 / 406-1 / 416-2 / 417-2 / 417-3

If a compliance issue (including GRI 2-26, “Responsible corporate conduct in organizational business activities and business relationships”) occurs or is likely to occur in our Group, it must, in principle, be promptly reported to the General Manager of the Legal Department and other relevant departments through our organizational structure. Further, a system is in place whereby the issue is reported to the Representative Director, standing Audit & Supervisory Board member, etc., through the General Manager of the Legal Department, and finally to the Board of Directors. When an incident occurs, measures are taken to identify the cause of such incident, formulate measures to prevent recurrence, and, if necessary, deployed throughout the Group.
Further, the Compliance Working Group promotes compliance across the entire Group by analyzing causes of incidents, and shares information aimed at preventing recurrence.
The results of checking the statuses in the occurrence of compliance issues in FY2024 show that there were no serious legal or regulatory violations, including those related to the environment, products, service, marketing, tax, anti-corruption, and anti-competitive behavior. In addition, there were no fines or penalties reported in the consolidated financial statements or in the financial information submitted to public institutions for FY2024, and there are also no fines or penalties that are currently pending and could be recorded in the provisions of the balance sheet in financial statements.

Whistle-Blowing System (Speak Up System)

For our Whistle-Blowing System, detailed stipulations on matters pertaining to the handling of whistleblower reports and reports to the Board of Directors, etc., of violations of laws and regulations brought to light because of such reports are provided in our regulations on whistleblowing. Employees of our Group (excluding certain employees of affiliated companies which operate their own whistle-blowing systems) can provide information directly to the internal reporting hotline, SMM Group Speak Up System (Internal: General Managers of the Legal, Safety & Environment Control, or Internal Audit Departments; External: Attorney. However, depending on the matter, further responses may be conducted by the Audit & Supervisory Board) for not only matters that are in violation of laws and regulations, but also concerns or questions in line with the SMM Group Code of Conduct. The source of the information is always kept secret and if, for any reason, the informant is treated unfairly, the person who initiated the unfair treatment will be punished appropriately.
The Whistle-Blowing System covers not only matters experienced by individuals, but also those that are raised for the purpose of seeking advice regarding responsible corporate conduct within the business’ activities and transactions (including those related to GRI 2-26).
In FY2024, a total of 23 incidents were reported through the internal reporting hotline across the Group, including those reported to affiliated companies’ independent hotlines.
Further, to understand whether the Whistle-blowing System is instilled throughout the Group, the engagement survey includes questions regarding whistleblowing and compliance, the results of which are analyzed. In addition, the General Manager of the Legal Department gives lectures on compliance and the Whistle-blowing System during regularly held training sessions.

■ Flowchart of the Whistle-Blowing System



■ Number of Reports Received (FY2024)

Category	No. of reports
Harassment	9
Personnel evaluation	2
Employment	2
Disciplinary action	2
Relationship with business partners	2
Job postings	1
Personal information	1
Company response to incidents	1
Political elections	1
Revised personnel systems	1
Whistle-blowing system	1
Total	23

One matter related to GRI 2-26 (systems for seeking advice and raising concerns) was raised, which was in duplicate of the abovementioned consultation.
All reports were handled appropriately.

■ Participants in Compliance Education (FY2024)
FY2024 Participants: Officers 34; employees: 2,032 (total)

Type of seminar
Compliance seminar for officers
Compliance seminar for general managers
Export trade control briefing
Contract Law Seminar
JCO Study Center training
Training for new employees
Managerial employee training (Grade 4 and above)
Training for employees promoted to Level E key positions
Training for mid-career hires

Initiatives on Preventing Corruption

GRI 205-1

The SMM Group engages in initiatives to prevent corruption. Based on the SMM Group Basic Policies for Anti-Bribery and regulations for the prevention of bribery, we introduced a prior approval system (mandating approval by an authorized person in cases of entertainment or gifts, etc., to public officials, whether in Japan or overseas), while prohibiting bribery by officers or employees at each of the Group's companies in Japan and overseas. Further, an anti-bribery manual was formulated based on the characteristics of each business and country/region, as well as legal and regulatory conditions. Each business division and the Legal Department work together to prevent corruption under the supervision of the officer overseeing compliance.
We have furthermore made it mandatory for all employees to attend e-learning training seminars on anti-corruption legislation in advance of their promotion to certain managerial positions.

Compliance with Competition Laws

The SMM Group is working to observe competition law by establishing the Basic Policy for Compliance with Competition Laws and regulations for the observance of competition law. In addition, we have established rules governing contact with competitors and record-keeping. Furthermore, we have prepared a manual on regulations for the observance of competition law, to provide specific overviews on the content of the basic policy and regulations, with education on competition law also provided in the course of various training seminars and e-learning programs.

Initiatives on Export Control

Based on the regulations for export control, the SMM Group has established the Export Control Committee and strives for compliance with the Foreign Exchange and Foreign Trade Act and other laws and regulations related to exports, which includes consolidating internal procedures for export and technology transactions, internal audits, in-house education, and provision of guidance to each Group company.

SMM Group Code of Conduct (Revised on October 1, 2022)

All officers and employees shall act in accordance with the following Code of Conduct so as to live up to the SMM Group Corporate Philosophy.

1. Compliance: Abidance by Laws and Rules

- We will comply with foreign and domestic laws and rules, and conform to social norms.
- We will never under any circumstances commit an infraction of the law or act counter to social norms, even if doing so would seem to be in the Company's interests.

2. Respect for Individuals

- We will accept diversity and respect the individuality and rights of people.
- We will never violate human rights, engage in discriminatory conduct, or contribute to such conduct.

3. Assurance of Health and Safety

- We will give highest priority to ensuring the physical and emotional health and safety of all persons affected by our operations.

4. Development of Human Resources

- We will strive to nurture junior colleagues and successors through systematic training and by providing them with opportunities to play an active role, and will take steps to help them shape their careers.
- We will pursue self-improvement with an awareness of our own growth.

5. Risk Management

- We will strive to identify risks, prevent their occurrence, and if risks occur, minimize the effects.

6. Adherence to a Progressive Stance

- We will approach transformation with a positive and progressive attitude without clinging to conventions and practices.

7. A Prideworthy, Rewarding, and Joyful Workplace

- We will place high value on teamwork, in the form of cooperation both with other organizations and with fellow employees.
- We will contribute to creating a free and open-minded workplace conducive to the smooth transfer of required information and the timely performance of reporting, liaison and consultation.
- We will strive to foster a corporate culture in which people accept and believe in each other and respect diverse values.

8. In Harmony with Society and Local Communities

- As members of society, we will participate in social contribution activities in accordance with our personal beliefs.
- We will strive toward a harmonious and mutually beneficial relationship with local communities.

9. Separation of Corporate Business and Personal Affairs

- We will at all times conduct ourselves based on sound judgment, and make a clear distinction between corporate business and our personal affairs.

10. Collection, Management and Usage of Information

- We will collect information swiftly, properly and lawfully, manage it appropriately, and use it effectively.
- We will utilize information acquired in conjunction with corporate business expressly for that purpose only, and will not leak such information to any third party.

11. Handling of Intellectual Property

- We will nurture and maintain conscious recognition of the importance of intellectual property as a vital asset of the Group, and strive toward the creation of such property.
- We will strive to properly protect and effectively use all corporate intellectual properties; we will also respect intellectual properties of other parties.

12. Assurance of Quality

- We will continuously improve quality management systems and provide products and services that satisfy customers.
- We will enhance technologies and seek to engage in manufacturing that takes into account customers' safety and their environment.

13. Stance toward Performance of Sales and Purchasing

- We will comply with competition laws and conduct sales and purchasing activities based on fair competition.

14. Stance toward Entertainment and Gifts

- We will entertain and present gifts to others, and accept entertainment and gifts, within the proper limits of both the law and social acceptability.
- We will comply with laws against bribery and will maintain healthy and proper relationships with government and political organizations.

15. Severance of Relationships with Socially Disruptive Forces

- We will staunchly eliminate socially disruptive forces and have no relations whatsoever with them.

16. Concern for the Global Environment

- We will act in a manner that enables us to contribute to solving global environmental problems by reducing greenhouse gas emissions, taking biodiversity into consideration, and making effective use of water resources so as to create a decarbonized society, an advanced Sound Material-Cycle Society, and a society in harmony with nature.

17. Attitude in the Performance of Global Business Activities

- We will strive to interact with people in the countries or regions where we undertake business and engage in conduct that respects local culture and practices as well as globally accepted norms and their spirit.

Tax Governance

Approach and Policy

GRI 207-1

The SMM Group established and announced the Sumitomo Metal Mining Group Basic Policy on Taxes on April 1, 2021. Under this policy we comprehensively investigate and examine the relationships of our products with customers and local communities to develop business in a sustainable manner, as well as work toward the maximization of after-tax profit and free cash flow to maximize corporate value and achieve our long-term vision through sound corporate activities. As a part of this, we also examine, in terms of taxation, such fields as the status of tax treaties with countries where mines or plants are located, areas near key customers and markets, and countries where we do business. By continuing to comply with international tax standards and other related matters, and by fulfilling our tax filing and payment obligations appropriately and fairly, we will strive to coexist with local communities and countries where we do business.

Tax-Related Decision Making and Management and Implementation Framework

GRI 207-2

At SMM, an executive officer is responsible for the Finance & Accounting Department, which is in charge of taxes. The officer manages and oversees the daily execution of tax-related duties that are performed by the department staff.
We work to improve and operate our tax governance system, with the president and the Board of Directors playing roles as noted below.

- The Group has established, maintains, and effectively operates an internal control system for financial closing operations so that it can conduct appropriate accounting work, reporting of results, and other tasks, including tax-related matters. The Internal Audit Department evaluates the effectiveness of the internal control system, and reports the results to the president.
- The representatives of individual Group companies including the Company review and approve tax returns and payment details before filing and paying taxes. If a tax investigation is conducted, the executive officer in charge of the Finance & Accounting Department reports on the progress of the audit to the president. In cases in which additional payments or tax refunds arise, the practical procedures are handled with the approval of the president.
- When making decisions on matters such as investment projects, the Group conducts examinations that include tax-related matters and risk assessments. Particularly important projects are taken up by the Board of Directors for approval.

The Audit & Supervisory Board members ensure the appropriateness of tax-related practices and policies through the following roles.

- Audit & Supervisory Board members verify the appropriateness of financial closing operations, including tax calculations and tax effect accounting, through audits conducted by the independent public accountant. In addition, when necessary, they pose questions to the independent public accountant to clarify tax-related issues.
- Audit & Supervisory Board members receive reports from the internal audit department and the independent public accountant regarding the results of their evaluation of the effectiveness of the development and operation of the internal control system for financial closing operations, including tax-related matters, and subsequently review the contents of the reports.
- When the president approves the filing and payment of income or other taxes on behalf of the Company, the Audit & Supervisory Board members review the documentation to confirm that filings and payments are properly managed within the Company.
- When the president approves the development of a tax policy, the Audit & Supervisory Board members review the documentation and confirm that the tax policy is properly developed within the Company.

Tax Compliance and Responses to Government

Initiatives for Tax-Related Compliance

GRI 207-1 / 207-2

Compliance is the cornerstone of the Group's corporate activities. In accordance with the Sumitomo Metal Mining Group's Basic Policy on Taxes, the SMM Group endeavors to adhere to tax laws, tax treaties, and other relevant laws and regulations applicable in the countries and regions where its mines or plants are located. Additionally, the Group follows tax-related standards published by international organizations such as the Organization for Economic Co-operation and Development (OECD).

Tax-Related Information Collection and Initiatives Involving Government, etc.

GRI 207-3

Through our activities as a member of the Japan Mining Industry Association, we make inquiries, collect information on, and express opinions to governmental agencies with regard to matters such as industrial policy and tax reform.
When the Group encounters issues involving interpretations of laws and regulations or specific procedural matters, we work to properly carry out tax-related matters through prior inquiries and consultations with tax authorities and outside experts.

2025 ESTMA Report published by SMM Gold Cote (PDF:154KB)

Related Links

Sumitomo Metal Mining Group's Basic Policy on Taxes >

Risk Management

Approach and Action Principles

Approach

The definition of risk at our Group includes both that which is beneficial to our goals and that which is detrimental to them. We see risk as something that will affect the achievement of business and organizational goals, and that makes the protection or creation of value uncertain. Through risk management, we are able to revise goals and measures to maximize beneficial risks and inspect and improve processes to minimize detrimental risks. This helps us achieve our 3-Year Business Plan, and ties into further tackling the material issues and ensuring the realization of our Vision for 2030 and our long-term vision.

Action Principles

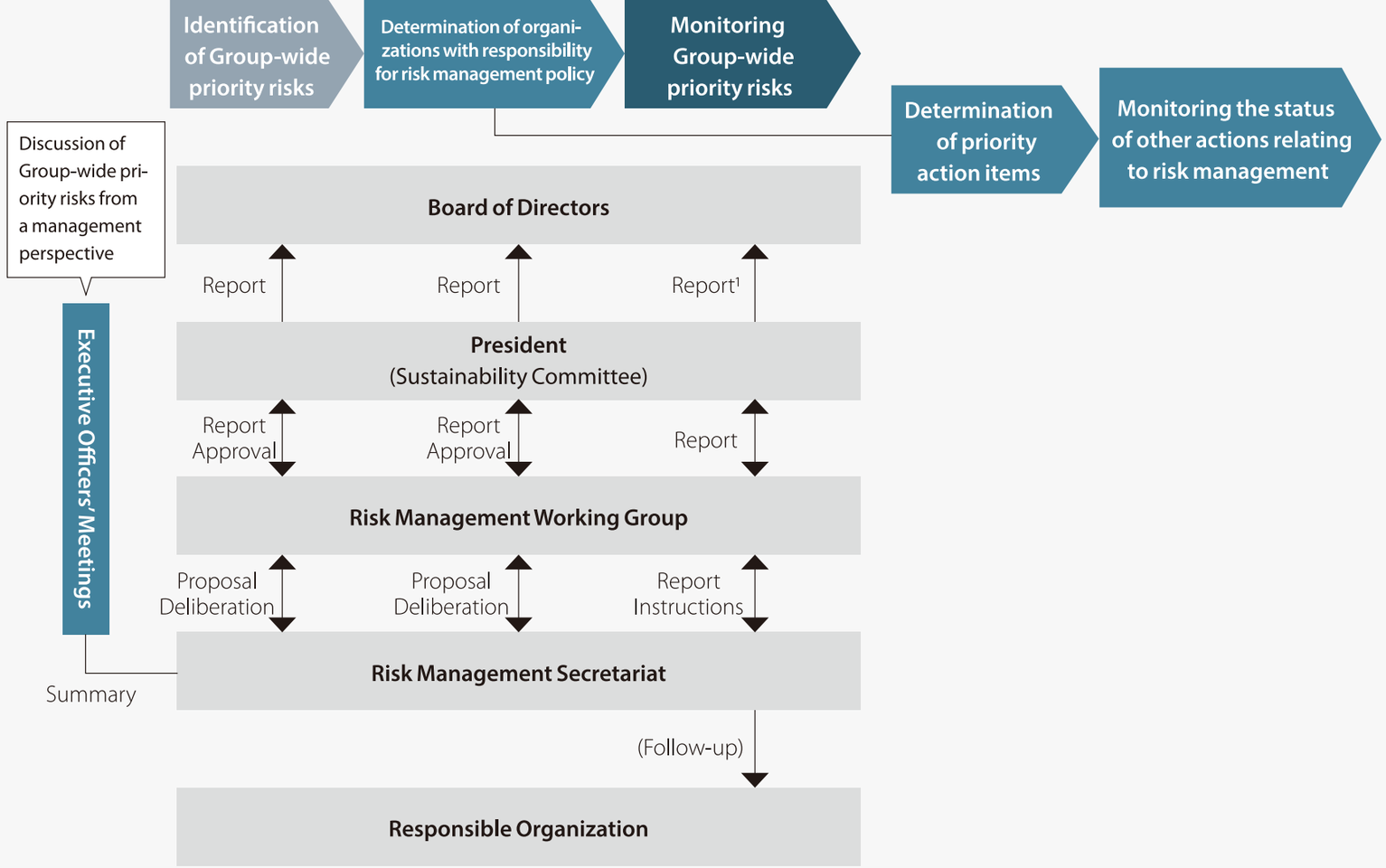
The SMM Group established the following Six Principles in the Basic Risk Management Regulations, which were formulated based on ISO 31000, a standard on risk management issued by the International Organization for Standardization, and engages in risk management (RM) to achieve our long-term vision of becoming the world leader in the non-ferrous metals industry.

1. The organizational leader confronting the risk is the responsible party
2. Compliance is the foundation
3. Recognize that potential risks can materialize and take necessary risk countermeasures
4. Risks recognized as a result of change are shared among all parties involved
5. Implement risk management in daily operations, considering the organization's hierarchy, size, role, and maturity, regional and cultural factors, and the knowledge, views, and values of stakeholders
6. Conduct ongoing reviews and improvements of management framework and initiatives

Management Framework

We took the criticality accident that occurred at JCO in 1999 very seriously and established the Risk Management Working Group as a body for implementing and monitoring risk management, including Group-wide initiatives relating to risk management policies and priority measures. We established a structure with the president having the highest level of responsibility to respond to risks that the Group faces and changes in those risks. The risk management structure operated under this structure comprises three frameworks.

■ **Group-Wide Risk Management and Monitoring Framework Chart**



1 If any changes, etc., occur

■ **Company-Wide Risk Management Framework**



Business Risk Management

Among the management and business risks associated with the execution of the Group's growth and business strategies, we have a mechanism to define critical Group-wide risks that are particularly likely to affect the achievement of our strategic goals (3-Year Business Plan) and address them. The critical Group-wide risks are discussed in management meetings attended by executive officers, including the president, and deliberated by the Board of Directors. To address the critical Groupwide risks, we establish response policies, designate the responsible department, and take action. The Risk Management Working Group monitors the status of actions to address critical Group-wide risks.
Also, we address management and business risks that are not Group-wide critical risks through monitoring and implementing initiatives at management meetings, various committee meetings, 3-Year Business Plans, budgets, financial results, monthly reports, and other means.

Operational Risk Management

At each business site, in addition to focusing on specific risks addressed annually (focus areas), risks inherent in regular operations are also identified and assessed based on internal and external conditions, and are managed as individual risks (see Serious Risk Categories). Currently, there are over 1,300 individual risks. We conduct risk mitigation daily by reviewing risk-management measures when there are any changes to or variations in the environments and conditions that serve as prerequisites for identified risks (business environments, work environments, people, equipment, work procedures, quality standards, etc.), and taking measures against new risks. A periodic risk review is also undertaken company-wide during "RM Promotion Month" every September.

■ **Serious Risk Categories**

- Explosions and fires
- Environmental pollution
- Legal violations
- Quality failure
- Occupational accidents
- Supply chain disruptions
- Information leaks
- Damage from harmful rumors
- Violation of intellectual property rights
- Other risks include those originating from moral misconduct, such as fraudulent accounting, human rights issues, and malfeasance

Crisis Management

In preparation for crises beyond assumed scenarios of management and site-risk management, or situations that sites will have difficulty in handling alone, the Crisis Management Committee, chaired by the officer responsible for crisis management, was established as a permanent body. The committee works toward the sharing of crisis information, the formulation and improvement of proactive measures, and the maintenance and strengthening of crisis management functions through drills. It also deliberates on the initial response to emergencies and the transition to the Group-wide response headquarters, which takes appropriate actions and provides support based on the level of crisis. The President is ultimately responsible for crisis management and oversees the overall management of such matters.
At each business site, we are promoting measures against natural disasters, such as earthquakes, tsunamis, flooding, soil liquefaction, landslides, and volcanic eruptions, in line with the hazard level of each site. Such measures include seismic reinforcement of buildings, improvement of seawalls, strengthening of wastewater treatment capacity, expansion of water storage tanks, stockpiling of food and drinks, and enhancement of emergency supplies. We also conduct drills to simulate earthquakes, fires, environmental accidents, and overseas terrorism, riots, and kidnappings, among other scenarios. We are working to address issues such as unfamiliarity with materials and the operation of equipment, lack of understanding of rules and procedures, and inadequate manuals, and to improve the decision-making capabilities of local task force members.

Future Initiatives

In FY2025, we identified two priority initiatives: “improving the effectiveness of risk mitigation measures and crisis management systems through internal audits and self-inspections,” and “identifying and responding to cybersecurity risks.”
For the first priority initiative, we will revise and improve the effectiveness of earthquake countermeasures in light of more severe damage estimates. This is due to the fact that the current earthquake business continuity plans (BCP) at each site may not be sufficiently adapted to recent diversification in work styles, changes in social norms and values, and advances in communication technology. It may also be inadequate to respond to a situation where communication systems were unavailable during the New Year’s Holidays, as was the case during the Noto Peninsula Earthquake. In addition to revising measures at individual sites, we will further enhance our BCP capabilities by revising coordination systems with the Head Office and neighboring sites.
For the second, we will improve the effectiveness of our BCPs and address system vulnerabilities by continuing to work on cybersecurity countermeasures initiated in FY2024.
In parallel with these initiatives, in addition to risk management in new business and projects, we are taking action under the leadership of top management so that we can achieve our business goals without causing any compliance violations, environmental accidents, occupational accidents, quality issues, or the like. Additionally, we are working to quickly identify and address potential risks by closely monitoring how changes in the social, economic landscape, and geopolitical risks may affect business continuity and performance. Further, we are striving to strengthen our initial response capability during crises and enhance employee training and drills in preparation for security risks and natural disasters.

Quality Assurance

Approach and Policy

The SMM Group has established a business model centered on collaboration among its three core businesses: Mineral Resources, Smelting and Refining, and Materials Businesses. Through this integrated business model, we strive to continuously refine our products, respond to changing customer needs, and provide quality that ensures customer satisfaction.

To ensure the delivery of high-quality products that satisfies customers, the President has established a Company-Wide Quality Policy and sets annual SMM Quality Objectives. In line with these standards, each business division sets and executes division-specific quality objectives, and the entire Group carries out quality assurance activities under the same policy.

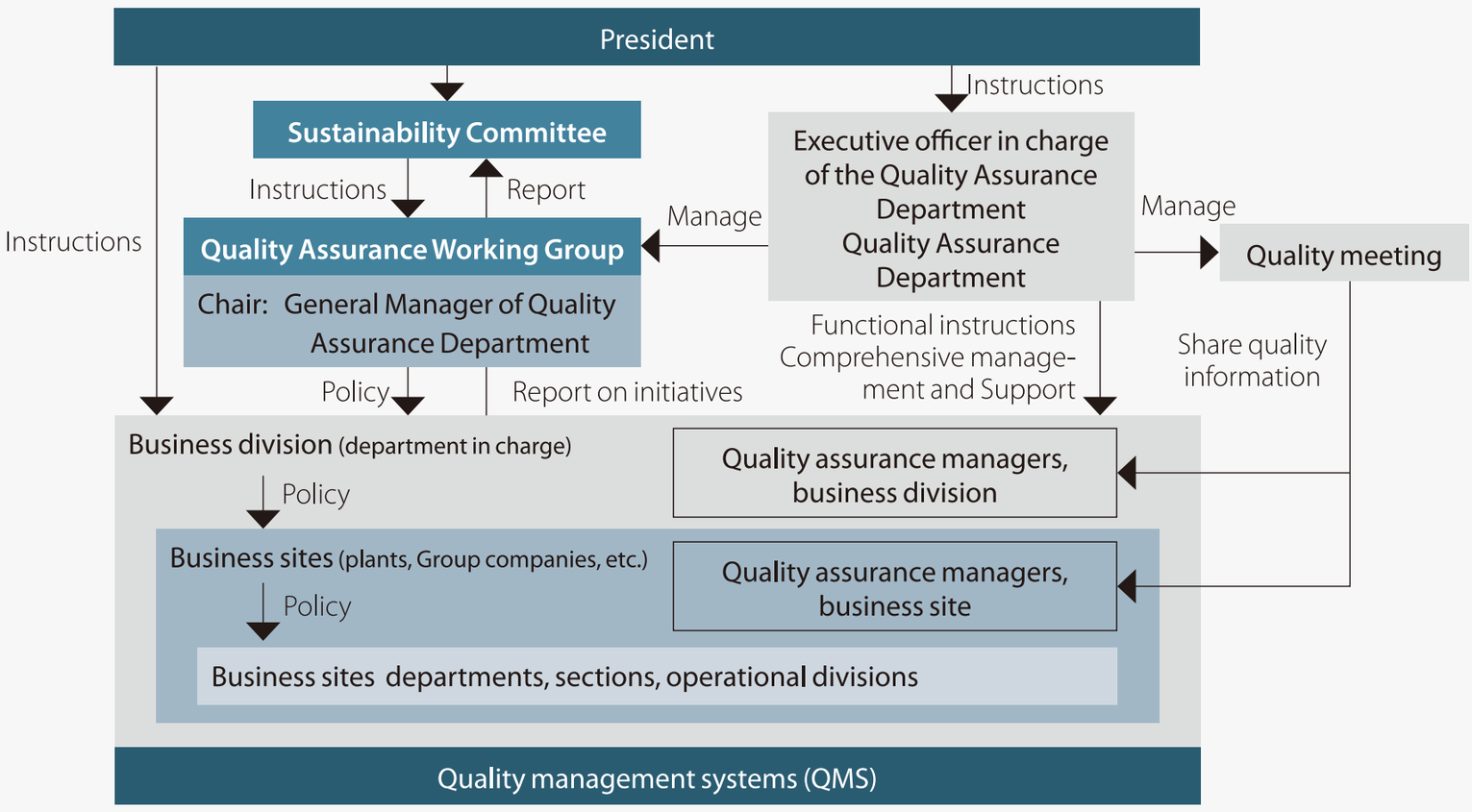
Quality Assurance Management Framework

Under the ultimate oversight of the president, an executive officer responsible for the Quality Assurance Department has been appointed to oversee and advance the Group's quality assurance initiatives. While each business division develops and maintains its own quality assurance framework, the Quality Assurance Department exercises company-wide oversight, serving as a cross-functional organization responsible for quality management throughout the Group.

Furthermore, the Quality Assurance Working Group, a subordinate body of the Sustainability Committee, deliberates on key measures for promoting quality assurance activities. It also shares each division's progress toward targets and quality control status, including reductions in customer complaints, to support ongoing improvements to the Quality Management System (QMS).

The quality assurance managers from the various business divisions and business sites, together with members of the head office's Quality Assurance Department also hold an annual quality meeting to share the quality management status of each business site and discuss quality issues common across the entire Group.

■ **Management Framework Chart**



Company-Wide Quality Objectives and Results

Company-Wide Quality Policy

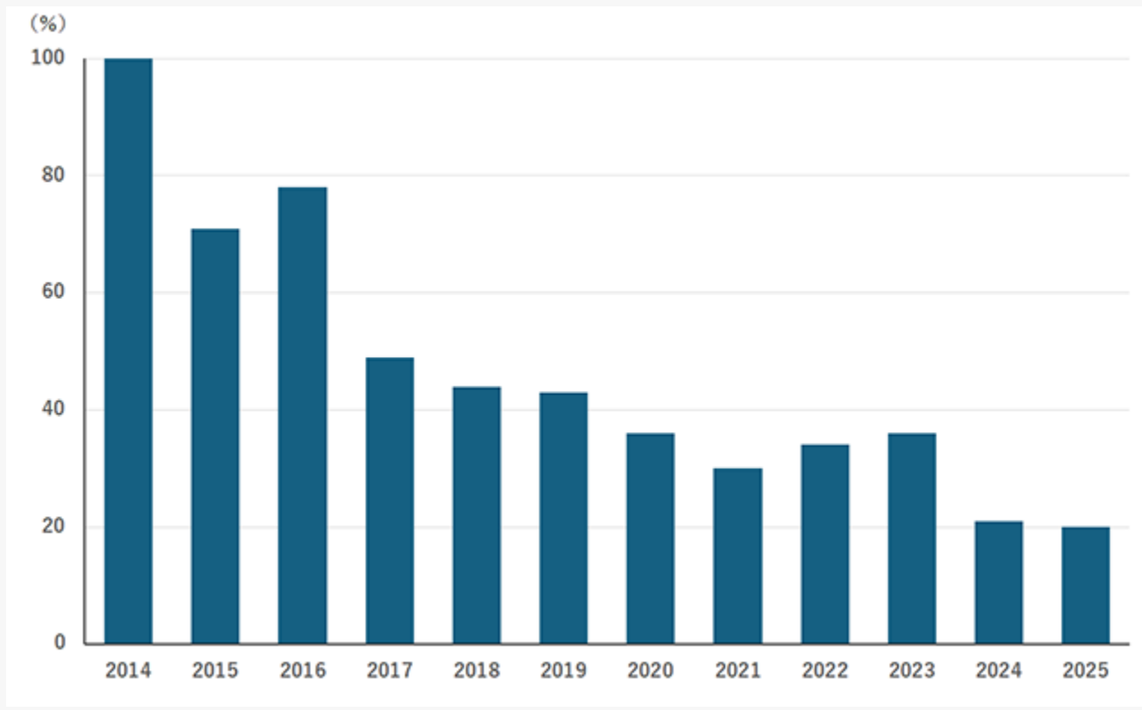
"Provide high quality to satisfy our customers through continual improvements of quality assurance and control systems."

- Pursue high quality that is ahead of its time
- Comply with relevant laws and regulations, and strive to create products that prioritize safety and environmental considerations

FY2024 Results

The chart below shows the trend in quality complaints across our entire group, with FY2014 set as the reference value of 100. In FY2024, the number of quality complaints decreased to approximately one-fifth of the level in FY2014.
While the total number of quality complaints decreased substantially in FY2024, primarily as a result of the business transfer of an affiliated company, some divisions experienced issues attributable to human error. To address this, we will strengthen our risk analysis, implement countermeasures to eliminate root causes, and continue promoting quality improvement initiatives across all business divisions and sites.

■ Changes in Quality Complaints (ratio with FY2014 set as the reference value of 100)[1]



1 The FY2024 figure excludes the number of claims from Sumitomo Metal Mining Siporex Co., Ltd. due to the transfer of business operations.

FY2025 Company-Wide Quality Objectives

“Pursue QMS improvements to establish a corporate structure that earns customer trust”

- Zero major quality complaints.
  Proactively prevent any quality issues that could compromise the stability of our business base
- Zero occurrences of quality misconduct
- Meet the goals for complaints in each business division

Quality Improvement Initiatives

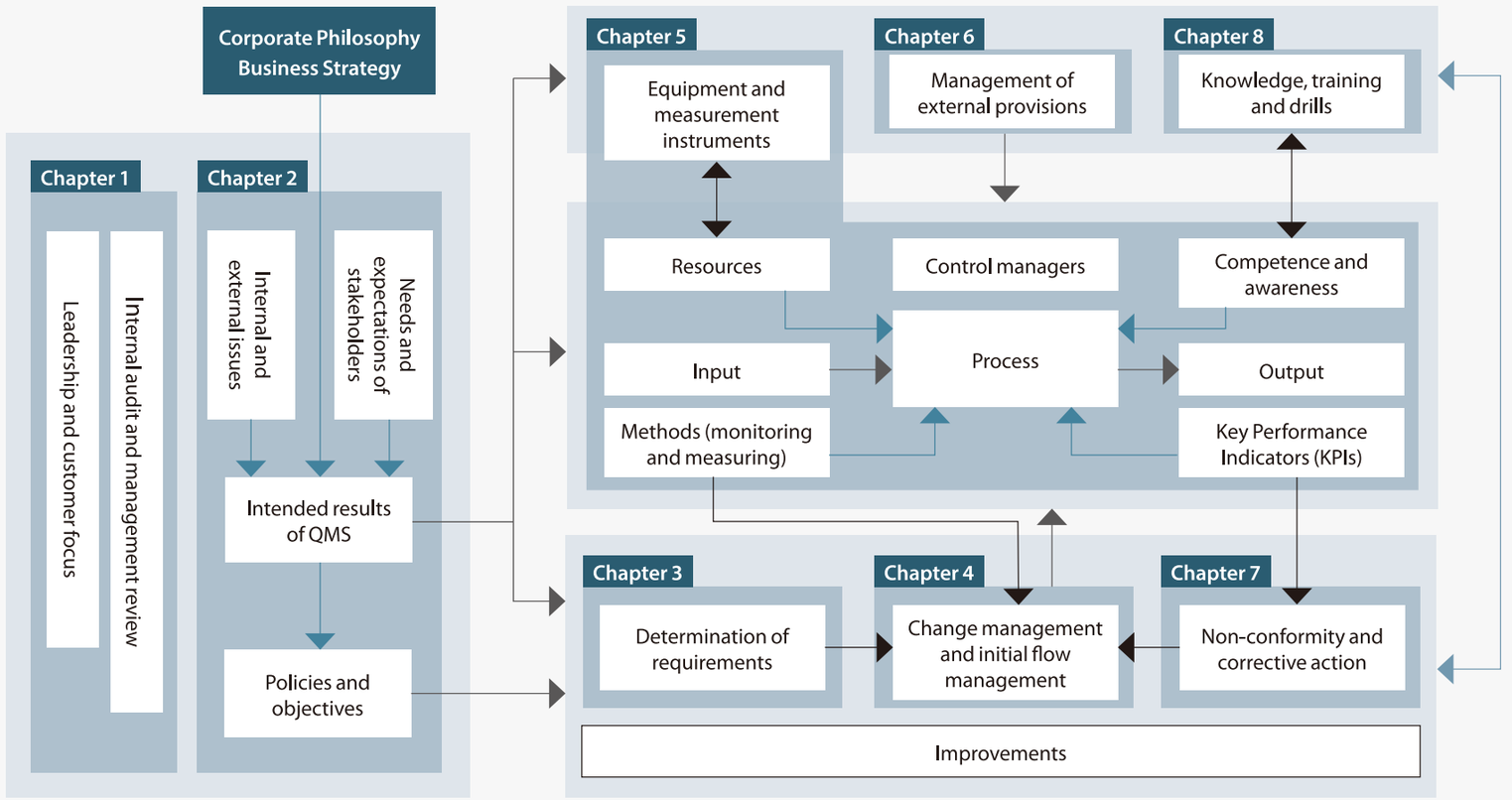
Issues and Initiatives for Improvement

Customer-trusted high quality is only possible when every employee is united in their purpose and strategic direction and actively participating in the activities required to meet the goals. To this end, we identify our challenges based on the information gathered through internal and external communication, set appropriate objectives, and actively involve all employees in improvement initiatives based on the “SMM Quality Standard,” which outlines the ideal framework of our QMS.

Improving Effectiveness of the Quality Management System (QMS)

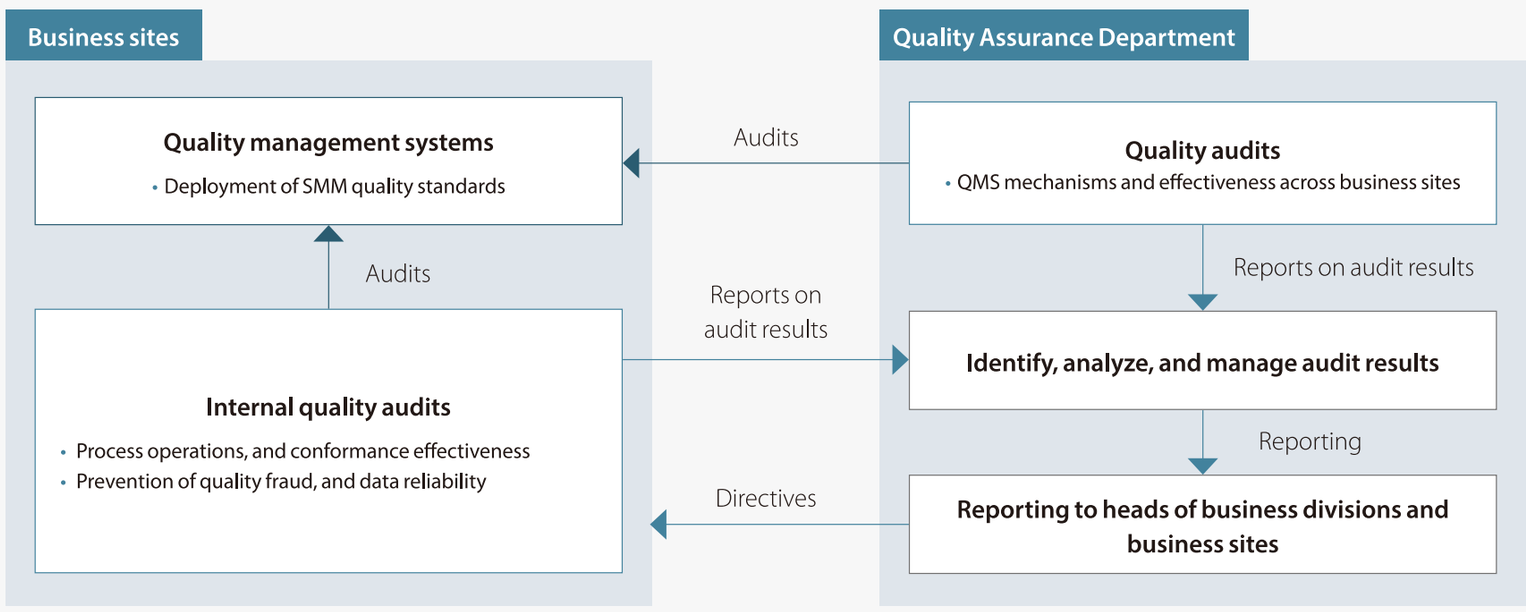
The SMM Group has established and implemented a company-wide QMS across all business divisions and sites. To ensure the effective functioning of our QMS, we carry out improvement activities based on the SMM Quality Standards . Each fiscal year, every business site sets its own goals for achieving the SMM Quality Standards and carries out improvement activities accordingly. These activities are evaluated and reviewed through internal quality audits and audits conducted by the Quality Assurance Department. At the end of the fiscal year, a self-assessment is performed to determine whether the targeted quality levels have been achieved. Based on these results, new objectives are set for the following fiscal year, and the PDCA improvement cycle is implemented to continuously enhance the effectiveness of the QMS at each business site.
The SMM Quality Standard classifies requirements into eight chapters. By incorporating past issues into the checklists, it identifies each site's strengths and weaknesses, focusing improvement efforts on those weaknesses.
SMM quality standards undergo annual revisions, and by continuously improving the ideal state of the QMS our Group seeks, we will strive to provide high-quality products that satisfy our customers.

■ Overview of QMS and Applicable Items in SMM Quality Standards



Strengthening of Our Internal Quality Audits

We carry out activities aimed at performing internal quality audits using the SMM Quality Standard as our reference. These audits identify systemic issues that may be hidden beneath surface-level problems from an objective, third-party perspective and communicate them to top management. We provide training to develop internal quality auditors across our business sites in Japan and have trained approximately 670 auditors between FY2019 and FY2024. During actual audits, internal quality auditors are present to verify the effectiveness of the audits conducted by their peers, thereby enabling the PDCA cycle for the development and training of internal quality auditors.
To guard against quality misconduct, such as the falsification of inspection and test data, we are offering company-wide quality fraud prevention training using e-learning. Additionally, as a deterrent mechanism, we carry out internal quality audits to verify the reliability of inspection and test data used to guarantee product quality. We are promoting company-wide efforts to automate the transfer of inspection and test data to minimize human intervention, and to strengthen management countermeasures where automation is difficult.



Expansion of Group-Wide Education on Quality

We provide education for all employees, from new employees to managers and supervisors, in order to equip them with the knowledge and management skills required for quality. We launched the e-learning program “SMM Hinkaku[1]” for all employees in fiscal 2019 to broaden their knowledge and enhance their awareness of quality. Approximately 5,900 employees have completed the training. We will utilize “SMM Hinkaku” for training new employees and transfers henceforth.
As a shortage of human resources capable of assuming quality management responsibilities is anticipated in the future, we are conducting training to cultivate company-wide quality managers. Through four practical training sessions each year, we aim to implement the SMM Quality Standards across business divisions and strengthen the effectiveness of the QMS. After completing the course, the participants will identify issues to be addressed for their own business sites and aim to use the knowledge and skills acquired during the training to resolve these issues. The Quality Assurance Department also follows up on the progress of these initiatives. A total of 20 employees completed the training in FY2024.

1 Trainees acquire the fundamental knowledge and quality awareness required in manufacturing, and their proficiency is evaluated through a test

Products and Services Information Disclosure

GRI 416-1

The products handled by our Group are primarily provided as materials or components for manufacturing our customers' products. Information essential for the safe and environmentally responsible handling of our Group’s products, as well as for their proper delivery to customers, is communicated based on past and current data, our Group’s proprietary expertise, and

relevant studies. This information is provided through contract specifications, technical meetings, product inspection reports, Safety Data Sheets (SDS)[1], and other channels. SMM products supplied to customers are delivered following careful product design that prioritizes safety and environmental compliance, and are subject to rigorous testing and manufacturing inspections[2]. The information used for these purposes is reviewed through the QMS, taking into account the latest technology, regulations, and customer requirements, to ensure it remains accurate and appropriate at all times.

1 Safety Data Sheet (SDS): A document providing information on a chemical product, including its chemical composition, product name, supplier details, associated hazards, safety precautions, and emergency response procedures

2 Life Cycle Assessments (LCA) for copper, nickel, and zinc through associations related to each metal

Communication with Customers

Customer satisfaction surveys are proactively conducted by each business division and site. The results of the survey are provided as feedback to the sales and development divisions. To improve customer satisfaction, we are continuously refining our methods for measuring and evaluating customer satisfaction. Through accurate and comprehensive communication with customers, we are able to pinpoint issues and implement effective corrective measures. Furthermore, by engaging in quality improvement activities, our Group promotes resource conservation and energy efficiency through improved product yield.

Information on SMM Products Requiring Disclosure by Labeling and Applicable Products/Services

GRI 417-1 / 417-2

Necessary information regarding our products and services, including labeling, is disclosed as shown in the table below.

Information requiring disclosure	Applicable products/services
Whether the components of products and services are outsourced	All materials subject to regulation and control by law Not applicable to our main products (raw materials and internally processed materials)
Whether the contents contain any material that may significantly impact the environment or society	All materials subject to regulation and control by law
Information on the safe use of products and services	All materials subject to regulation and control by law
Whether disposal of the product may significantly impact the environment or society	All materials subject to regulation and control by law

Method of Providing Information on Specifications

We communicate product information to our customers by clearly specifying the required details in the delivery specifications.

Method of Providing Information on Chemical Substances

Our Group ensures compliance with chemical substance regulations and promotes safe handling by providing customers with comprehensive information on product contents through SDSs and supporting documents.

Other Initiatives

Our Group also operates businesses aimed at general consumers, including the sale of various lubricants. Information about these products and services is provided in compliance with applicable laws, including labeling, advertising, and explanations to ensure proper understanding.

Responding when Product Quality Issues Occur

Should a quality issue arise with any of our Group's products or services, appropriate measures are determined in accordance with the "Quality Assurance Regulations." The business divisions and business sites will immediately verify the facts, report the results of the root cause analysis to the customer, and implement corrective actions and preventive measures to avoid recurrence.
Should a major quality issue arise, the business division immediately notifies management and the General Manager of the

Quality Assurance Department, who in order to resolve quality issues immediately, will check the progress of necessary response measures, and confirm the effectiveness of corrective actions and measures to prevent recurrence.

Information Security

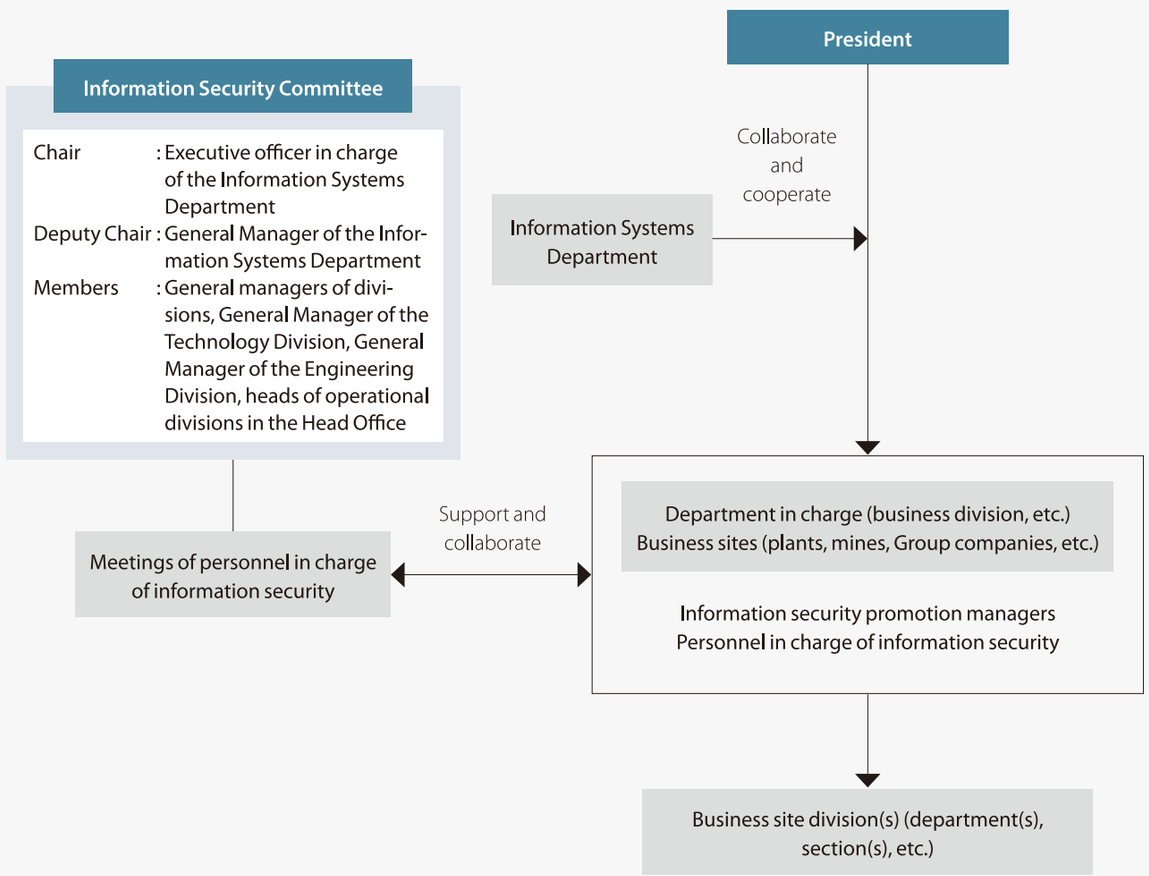
Approach and Policy

In order to promote information security management throughout the SMM Group, we have established and implemented a security policy consisting of the “Information Security Regulations” and “Groupwide Standards for Information Security.”

Management Framework

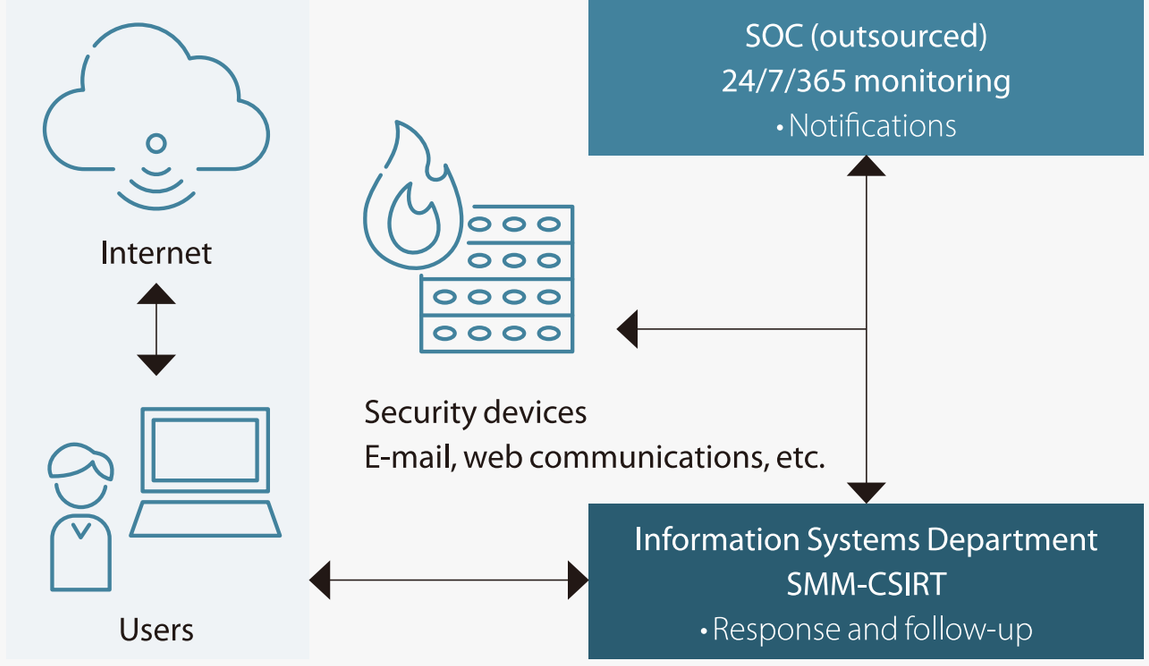
The Information Security Committee regularly deliberates Group-wide strategies and basic policies regarding information security, as well as Group-wide policies concerning information security. The Information Security Committee consists of the Executive Officer in charge of the Information Systems Department as the Chair, the General Manager of the Information Systems Department as the Deputy Chair, the General Manager of the Business Divisions, the General Manager of the Technology Division, the General Manager of the Engineering Division, and the heads of operational divisions in the Head office as committee members, and the secretariat is set up as the Information Systems Department.
Measures to improve the level of information security are primarily led by the Information Systems Department, and are specifically implemented with the cooperation of Information Security Promotion Managers who are the heads of the organizational units (plants, offices, branches, etc.) and the information security personnel at each site. In addition, to smoothly implement and follow up on these countermeasures, the Information Systems Department serves as the Secretariat for the meetings of personnel in charge of information security held regularly.
The implementation status of measures is communicated to the Information Security Committee, which takes necessary actions based on the feedback.

■ Management Framework Chart



Response to Information Security Risks

To protect internal information assets against increasingly sophisticated cyberattacks, we are taking countermeasures encompassing both system and human safeguards.
In order to counter threats such as external cyberattacks, we monitor newly detected malware, targeted emails, and other threats 24 hours a day, 365 days a year, primarily through an outsourced SOC[1]. If an anomaly is detected, the Information Systems Department is promptly notified, and we have a system in place to enable rapid and appropriate response jointly with SMM-CSIRT[2].
We also aim to prevent cyberattack damage by providing employee education and training through e-learning and targeted attack e-mail drills.



1 Security Operation Center (SOC): An organization specializing in monitoring and analyzing information from security devices and implementing countermeasures, etc.

2 Computer Security Incident Response Team (CSIRT): A generic term for an organization that, when a computer security issue arises, investigates the cause, assesses the scope of impact, and implements countermeasures

Main System Countermeasures

- Critical information is stored on servers at an external data center with advanced accident countermeasures, and the data center is protected by a special security system.
- Internal and external networks are separated by a firewall to protect against cyberattacks from outside (the Internet).
- For work-from-home and other remote connections, a cloud security gateway with a high level of security is used to ensure an environment where third-party connections and unauthorized intrusions are impossible.
- All PCs are equipped with EDR[1] software in addition to anti-virus software. EDR software logs are monitored 24 hours a day, 365 days a year by an external SOC, enabling rapid detection and response to malware infections.
- We have introduced e-mail and web filters to ensure secure use of email and the internet by our employees.
- Of the above countermeasure systems, critical ones are monitored by an external SOC that operates 24 hours a day, 365 days a year to ensure a system capable of promptly detecting and responding to anomalies.

1 EDR: Endpoint Detection and Response

Main Human Security Countermeasures

- To deepen understanding of the ever-evolving cyberattack methods and enhance security awareness, we conduct annual information security training using specialized e-learning services in the cybersecurity field with global language support, including staff based overseas.
- To prevent targeted attacks, which can easily lead to malware infection, we conduct targeted attack e-mail drills, in which users are sent simulated e-mails that look like actual attack e-mails, to increase their security sensitivity through first-hand experience.

Main Countermeasures Against Information Leaks

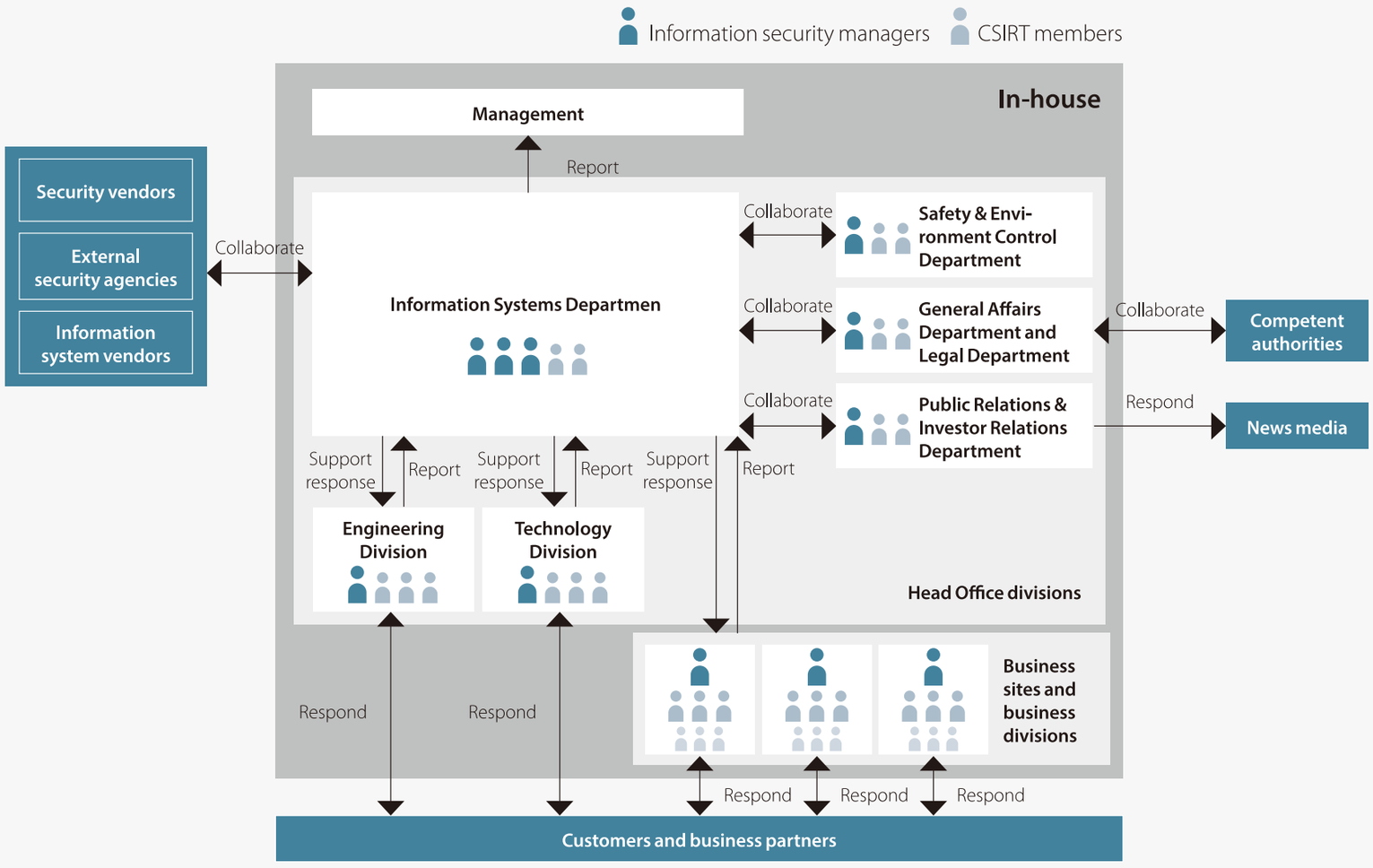
In order to ensure the security of customer information containing personal data and internal confidential information, all electronic data is protected through the following countermeasure in addition to those mentioned above.

- The use of USB flash drives is generally prohibited. When their use is required, it is permitted solely under a controlled system environment and with prior notification.
- Mobile PCs and other devices that may be taken outside the Company have their disks encrypted so that in the event they are stolen or lost, a third party cannot access the data.
- We use dedicated file servers and external cloud storage services for storing internal company data, and their access rights are strictly managed.
- Our system monitors communication path logs to promptly detect and respond to unauthorized communications.
- Our system is designed to prevent malware infections from suspicious e-mails by sharing information with the users about such emails that slips through the filtering system.

The outcomes of these measures are analyzed to deliver feedback to departments and management and to guide the development of future plans.

Response to Security Incidents

The SMM-CSIRT, consisting of the Information Systems Department and representatives of user departments, has been established to respond promptly and prevent the spread of damage in the unlikely event of a serious security incident despite the security countermeasures.
The primary incident response processes are formally documented, allowing the Information Systems Department to work in collaboration with user departments. This framework ensures that incidents are addressed promptly while external communications are managed concurrently.
SMM-CSIRT is a member of the Nippon CSIRT Association (NCA), fostering external collaboration while annually participating in NCA-hosted incident response training to enhance its capabilities.



Results and Plans for Countermeasures

In FY2024, we implemented the following measures.

- Reinforced countermeasures against email information leaks.
- Identified and improved system vulnerabilities through simulated attacks.

For FY2025, the following measures are planned to bolster security operations.

- Reinforcement of countermeasures against spoofing emails (DMARC Compliance.)
- Elimination unmanaged devices through visualization of internal network-connected devices.
- Identification of issues and implementation of countermeasures through information security audits.

External Assessments and Awards

Inclusion in Indices External Assessments of Sustainability

We have been recognized by various external evaluation organizations as a company that promotes sustainability initiatives and have been included in various indices.

Inclusion in Indices

Various FTSE Indices*

FTSE4Good Index Series

FTSE JPX Blossom Japan Index

FTSE JPX Blossom Japan Sector Relative Index

We have been selected as a constituent of the FTSE4Good Index Series, the FTSE JPX Blossom Japan Index and the FTSE JPX Blossom Japan Sector Relative Index. These indices were developed by FTSE Russell, a global index data provider, to measure the performance of companies that are active in environmental, social and governance (ESG) practices. The FTSE JPX Blossom Japan Index and the FTSE JPX Blossom Japan Sector Relative Index are widely used by one of the world's largest institutional investors, and which manages Japan's public pension funds, the Government Pension Investment Fund (GPIF), and others to create and evaluate ESG investment funds and other financial products.

* FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Sumitomo Metal Mining Co.,Ltd. has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.
FTSE Russell confirms that Sumitomo Metal Mining Co.,Ltd. has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE JPX Blossom Japan Index. Created by the global index and data provider FTSE Russell, the FTSE JPX Blossom Japan Index is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE JPX Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products. FTSE Russell confirms that Sumitomo Metal Mining Co.,Ltd. has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE JPX Blossom Japan Sector Relative Index. The FTSE JPX Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

FTSE4Good Index Series

FTSE Blossom Japan Index Series

MSCI ESG Leaders Indexes*

Equity indices created by U.S.-based MSCI, Inc., consisting of companies that have received high ESG ratings.

MSCI Japan ESG Select Leaders Index*

An equity index created by U.S.-based MSCI, Inc., consisting of listed companies in Japan with excellent ESG ratings, and is one of the ESG indices selected by the Government Pension Investment Fund (GPIF).



* THE INCLUSION OF SUMITOMO METAL MINING CO., LTD.(SMM) IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF SMM BY MSCI OR ANY OF ITS AFFILIATES.
  THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

MSCI Japan ESG Select Leaders Index

Morningstar® Japan ex-Reit Gender Diversity Tilt Index℠

This is an index of Japanese stocks adopted by the Government Pension Investment Fund (GPIF), which is the world's largest institutional investor and manages Japan's public pension funds. The index, designed by the investment research company Morningstar, focuses on companies where established gender diversity policies are ingrained in their corporate culture, as well as companies that promise equal opportunities to employees regardless of gender. This index classifies companies into five groups based on data and scores from Equileap*. Our company has been rated as “Group 3”.

* Equileap:An agency based in the Netherlands that provides and evaluates data on gender-related aspects of companies worldwide.

Morningstar® Japan ex-Reit Gender Diversity Tilt Index℠

Morningstar, Inc., and/or one of its affiliated companies (individually and collectively, "Morningstar") has authorized Sumitomo Metal Mining Co., Ltd. to use of the Morningstar Japan ex-REIT Gender Diversity Tilt Logo ("Logo") toreflect the fact that, for the designated ranking year, Sumitomo Metal Mining Co., Ltd. ranks in the top quintile of companies comprising the Morningstar® Japan ex-REIT Gender Diversity Tilt IndexSM ("Index") on the issue of gender diversity in the workplace. Morningstar is making the Logo available for use by Sumitomo Metal Mining Co., Ltd. solely for informational purposes. Sumitomo Metal Mining Co., Ltd. use of the Logo should not be construed as an endorsement by Morningstar of Sumitomo Metal Mining Co., Ltd. or as a recommendation, offer or solicitation to purchase, sell or underwrite any security associated with Sumitomo Metal Mining Co., Ltd. The Index is designed to reflect gender diversity in the workplace in Japan, but Morningstar does not guarantee the accuracy, completeness or timeliness of the Index or any data included in it. Morningstar makes no express or implied warranties regarding the Index or the Logo, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the Index, any data included in it or the Logo. Without limiting any of the foregoing, in no event shall Morningstar or any of its third party content providers have any liability for any damages (whether direct or indirect), arising from any party's use or reliance on the Index or the Logo, even if Morningstar is notified of the possibility of such damages. The Morningstar name, Index name and the Logo are the trademarks or services marks of Morningstar, Inc. Past performance is no guarantee of future results.

S&P/JPX Carbon Efficient Index

This index is provided by S&P Dow Jones Indices and the Tokyo Stock Exchange (TSE). Component stocks are weighted against TOPIX component stocks based on their environmental initiatives, such as environmental information disclosure and carbon efficiency levels. It is one of the ESG indices used by the Government Pension Investment Fund (GPIF).

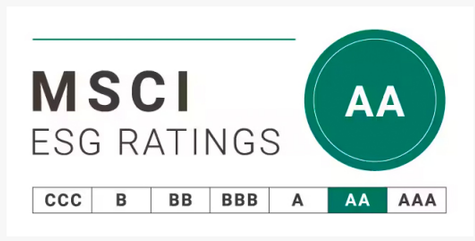


S&P/JPX Carbon Efficient Index

External Assessments of Sustainability

MSCI ESG Ratings

An evaluation by U.S.-based MSCI Inc. that measures a company’s exposure to significant ESG (environmental, social, and governance) risks within its industry and the adequacy of its risk management. We have received an MSCI ESG rating of AA. (On a 7-point scale from AAA-CCC.)



MSCI ESG Research website

CDP

CDP is an ESG evaluation organization that evaluates more than 25,000 organizations worldwide on their strategies to address climate change and their efforts to reduce greenhouse gas emissions. Each company is evaluated using an independent method based on the comprehensiveness of its disclosure, risk management, high goal setting, leadership, and other information and assigned a score from A to D-. We have been responding to CDP's questionnaire since 2014.

CDP Evaluation Results
Climate (2025) : A
Water (2025) : A-
Supplier Engagement (2025) : A

CDP

ESG Finance Awards Japan (Environment Sustainable Category)

The ESG Finance Award Japan is an award system established by the Ministry of the Environment in 2019 with the aim of widely sharing the innovative initiatives of institutional investors, financial institutions, and companies that actively engage in ESG finance and environmental and social projects, and contributing to the spread and expansion of ESG finance. The Environment Sustainable Category, which is one of the award categories, recognizes companies that incorporate important environmental opportunities and risks into their business strategies and generate positive effects on corporate value and the environment. We have been selected as an "Environment Sustainable Company" in the 7th ESG Finance Awards Japan. This recognition was based on the appropriate disclosure of our strategies, KPIs, and initiatives addressing environmental issues in our integrated report, annual securities report, sustainability report, and company website, meeting certain standards of comprehensiveness.

ESG Finance Awards Japan (Japanese text only)

Platinum Kurumin Certification

In August 2025, we received the "Platinum Kurumin" certification from the Minister of Health, Labour and Welfare as an outstanding "child-rearing support company."
The "Platinum Kurumin" certification is granted to companies that have already been certified as "Kurumin" under the Act on Advancement of Measures to Support Raising Next-Generation Children, and that meet even higher standards, such as a higher rate of childcare leave taken by male employees and other advanced criteria.

PRIDE Index

Sumitomo Metal Mining has been recognized with the highest gold award, achieving a perfect score of 5 points in the PRIDE Index for two consecutive years, 2024 and 2025. The PRIDE Index is an evaluation indicator for LGBTQ+ activities in the workplace, developed by the general incorporated association work with Pride, and consists of five indicators: Policy (Declaration of action), Representation (Support for the LGBTQ+ community), Inspiration (Awareness-raising activities), Development (HR systems and programs) and Engagement/Empowerment (Social contribution and external relations activities).

PRIDE Index (Japanese text only)

Digital Transformation Certification

"Digital Transformation Certification" is a system in which the Japanese government certifies companies that have been recognized as being prepared for promoting DX (Digital Transformation) by complying with the "Digital

Governance Code," which summarizes the requirements for executives in response to the social transformation brought about by digital technology.

Digital Transformation Certification initiatives (Japanese text only)