

Materiality and ESG Promotion System

The Group seeks to help society develop sustainably through the implementation of its Code of Conduct. We consider ESG as one of the most important management tasks to provide these contributions, and as such, we have established an organizational structure to address materialities on a Group-wide basis.

Materialities (Priority Issues) and KPIs (Key Performance Indicators)

Materialities are important social issues that the Group must take priority steps to address in order to realize our 2040 Long-Term Vision. As a result of reviews in fiscal 2020 given social issues faced worldwide, as well as given the goals set in the SDGs and the Group's business environment, we have identified six materialities and set KPIs for each. The ESG Committee has been in charge of administering this system, measuring and assessing levels of achievement for these KPIs. For fiscal 2021 and fiscal 2020, we have continued to operate under the same KPIs. Please see the flowchart to the right for information regarding how we have established our current materialities.

	Materialities	Initiatives	Fiscal 2020 KPIs	Related SDGs
E	Contributing to Environmental Conservation P39	<ul style="list-style-type: none"> Contribute to global environmental conservation by creating a carbon-free and recycling-oriented society. 	Total in-house CO ₂ emissions: Promoting initiatives to achieve net zero CO ₂ emissions in fiscal 2050 and 50% reduction in fiscal 2040 (vs. fiscal 2018)*	 
			Increase Percentage of Recycled Raw Materials: expand the breadth of recycled materials to be treated	
S	Provide Advanced Materials That Support Lives and Lifestyles P43	<ul style="list-style-type: none"> Advance development of new technologies and contribute to an IoT/AI society 	Develop advanced materials needed by the IoT/AI society	  
			Build a framework to support technology-based management	
	Create Attractive Workplaces P53	<ul style="list-style-type: none"> Create a healthy, safe, and peaceful working environment for all employees. Create an environment in which diverse employees feel fulfilled and fully express their talents. 	Reduce serious occupational accidents: Less than 0.7 accidents (four days or more of lost work time) per 1,000 workers in fiscal 2020	  
			Increase annual leave utilization rate: 80% or more in fiscal 2020	
			Implement initiatives to revitalize people and organizations	
			Initiatives for health promotion: cancer screenings for 70% of employees or more in fiscal 2020	
Respect Human Rights P61	<ul style="list-style-type: none"> Conduct business activities that respect the human rights of all throughout the supply chain, including local community residents, customers, employees, and business partners. 	Percentage of employees taking human rights training (100% in fiscal 2020)	 	
		Conduct survey of human rights in supply chains		
Coexistence and Co-Prosperty With Local Communities P65	<ul style="list-style-type: none"> Foster relationships of trust with local communities through community-based social contribution activities and communications in every business location in Japan and abroad. 	Continue dialogue with local communities	 	
G	Strengthen Governance P69	<ul style="list-style-type: none"> Ensure sound, transparent business management via thorough compliance and risk management activities. 	Steady operation of group-wide risk management	—
			Compliance training tailored to business characteristics and social movements, etc.	

* We revised the long-term targets in fiscal 2021, moving our 50% reduction target forward to fiscal 2030.

Materiality Identification Process



ESG Promotion System

Though the Group has taken a variety of actions over the years toward social contribution and environmental conservation, it has become necessary to strengthen organizational response to global ESG trends and take actions toward ESG management from a Group-wide perspective. Therefore, in October 2020, we established the ESG Promotion Department to oversee ESG initiatives, and created related committees to assist.

The ESG Committee serves as an advisory body to the president, and is responsible for basic policies and activity plans related to ESG initiatives, as well as monitoring of these initiatives. The ESG Committee is chaired by the president of the Company, with members from the Executive Council. This committee meets twice a year in principle.

Key Discussions at the ESG Committee and ESG Promotion Managers Meetings (Fiscal 2020)

- Establishment of priority ESG issues
 - Addressing climate change
 - Contributing to a recycling-oriented society
 - Complying with international norms and initiatives
- Reporting activity policies and statuses per priority issue

Permeating ESG Management

In order to promote the penetration of ESG management, we use the Group's Intranet and internal newsletters for messaging on ESG information, and we hold internal training and e-learning programs to deepen understanding about the importance of ESG management and the Company's activities.

In addition, we distribute the Sustainability Report each year and conduct questionnaires available via paper form and online to survey employees about penetration of ESG and CSR mind-sets and status of their involvement with practicing ESG and CSR. In fiscal 2020, 5,307 people of 6,034 eligible employees responded to the survey, a response rate of 88%.



Q: Do you understand and agree with the JX Nippon Mining & Metals Group Code of Conduct?
Yes ---96.4% No---2.1% No answer ---1.5%

Q: Do you think that the JX Nippon Mining & Metals Group Code of Conduct is well understood in your organization and workplace?
Yes ---78% No ---21.1% No answer ---0.9%

Q: When you are not sure about a work-related decision, do you go back to the JX Nippon Mining & Metals Group Code of Conduct to find hints about how to proceed?
Yes ---82.6% No ---16.5% No answer ---1.0%

* Respondents have five options for answering questions, with affirmative answers categorized as "Yes" and negative answers as "No."