

Materiality 4

Respect Human Rights



The Group, which does business on a global scale, sees maintaining sound business practices while respecting the human rights of local residents, customers, employees, business partners and all others involved in the supply chain as a major premise for our continued operation. Based on this belief, we aim to conduct our business with due consideration for human rights, using opportunities like briefings and interviews, and to create a corporate climate where human rights are respected.

Major Initiatives

Human Rights Education and Internal Awareness Raising



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Consideration of Human Rights in the Supply Chain



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KPIs and Progress

Assessment : 😊 Achieved/Steady Progress ☹ Not Achieved

KPI	Fiscal 2020 Results/Progress	Assessment
Percentage of employees taking human rights training (100% in fiscal 2020)	In addition to stipulating respect for human rights in the Group Code of Conduct and other internal rules, we continue to carry out human rights training and e-learning programs at Group companies to raise awareness of human rights and prevent human rights violations. In fiscal 2020, 100% of officers and employees participated in our ongoing human rights training programs. Human Rights Education and Internal Awareness Raising ▶ P62	😊
Conduct survey of human rights in supply chains	In our work to prevent human rights violations throughout the supply chain, we have established and operate a supply chain due diligence management system in accordance with OECD guidance for procurement of raw materials. In fiscal 2020, we again underwent external audits related to gold, silver, and tantalum, which determined that we were taking appropriate action. Consideration of Human Rights in the Supply Chain ▶ P63	😊



Human Rights Education and Internal Awareness Raising

JX Nippon Mining & Metals Group Code of Conduct (excerpt)

8. International business operations
In international business operations, we aim to contribute to sustainable development by protecting the fundamental human rights of people in countries and areas where we operate, and by respecting their cultures and customs.

JX Nippon Mining & Metals Group Compliance Regulation (excerpt)

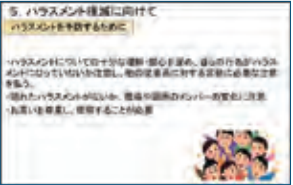
- Prohibition of unjust discrimination**
JX Nippon Mining & Metals Group companies and their officers and employees shall not discriminate in their business operations relating but not limited to hiring, salary, working hours, work conditions, and business terms due to reasons that include but are not limited to race, nationality, sex, age, religious belief, social status, or physical characteristics.
- Prevention of harassment**
JX Nippon Mining & Metals Group companies and their officers and employees shall work proactively to prevent sexual harassment (including gender harassment) and power harassment.
- Protection of personal information**
JX Nippon Mining & Metals Group companies and their officers and employees shall comply with personal information protection laws, regulations, and internal rules, adequately protect the personal information of parties including but not limited to customers, business partners, and employees, and in situations where personal information needs to be managed for business purposes, manage it with the utmost care.
- Prevention of child labor and forced labor**
JX Nippon Mining & Metals Group companies and their officers and employees shall not be involved with child labor or forced labor and shall work to help solve these issues.

Human Rights Education

The Group provides and makes known guidelines on human rights issues including discrimination, harassment, forced labor, and child labor, for the prevention of these issues. We also create opportunities for periodic training to ensure retention of human rights awareness. We provided training to all Group employees in fiscal 2020, themed on “Harassment.”

This theme was established, given the clear provisions in the JX Nippon Mining & Metals Group Compliance Regulation that we shall not engage in discrimination or harassment, to raise employee awareness of human rights and understanding of harassment. Based on the concept that “anyone can be a perpetrator or a victim of harassment,” the program provided a good opportunity for each participant to gain an awareness of how harassment affects both companies and employees, and

to re-evaluate our own words and actions, as well as our work environment. We will continue our work to ensure an understanding of human rights concepts in our global business operations and to do business in consideration of human rights.



E-learning materials

Total Hours Spent in Human Rights E-Learning Training (Number of trainees x course hours)	Fiscal 2020 1,857 hours
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Human Rights Consultation and Remedies

The Group has established the JX Nippon Mining & Metals Group Hotline as an internal consultation service for human rights violations and other issues. Employees are able to anonymously use this hotline to discuss any issues related to human rights—from those that may crop up on a day-to-day basis to significant infringements. All reports to this hotline are presented to the president, including a report on our response to each. Information about the establishment of the hotline is posted on our intranet and disseminated through various training pro-

grams, including human rights training. No one using the hotline for consulting or reporting shall be subjected to disadvantageous treatment for its use. Six reports were made to the hotline in fiscal 2020.

In regard to remedies, no restrictions have been made on resolving issues for consultation through external remedies, and therefore consulting parties may seek other remedies according to the legal system of the country in question.



Consideration of Human Rights in the Supply Chain

JX Nippon Mining & Metals Group Basic Procurement Policy (excerpt)

4. Follow the below principles regarding conflict minerals.
- Do not engage in raw materials procurement that contributes to illegal activities in conflict-affected regions or to human rights violations resulting from such activities.
 - Respect the guidance of the Organisation for Economic Co-operation and Development (OECD) related to raw materials procurement from conflict-affected areas, and control supply chains in an appropriate manner.

Policy for Selecting Procurement Partners

In the conduct of the JX Nippon Mining & Metals Group's business operations, it is necessary for not only the Group but also our business partners' supply chains to fulfill their responsibility to society. Therefore, we also require our business partners to operate in accordance with the items below. Going forward, we will confirm the process of improvement with respect to business partners who violate the items below and receive an adverse disposition from the government, and business partners revealed not to be complying with the items below. Furthermore, in the case that a business partner is not complying with the items below, we will consider whether it is necessary to review (or cancel) the contract with the business partner.

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| <ul style="list-style-type: none">1. Comply with laws, regulations, and social norms, such as those below, and place priority on human rights and environmental impact. In the event of any inconsistencies between internationally-recognized human rights principles and the laws, regulations, social norms, etc., respect the international human rights principles.· Obey laws and regulations related to manufacturing and sales, etc.· Comply with labor-related laws and regulations· Abide by laws and regulations related to safety and health and develop a proper labor environment· Prohibit child labor and forced labor· Prohibit discrimination based on race, gender, etc. and respect the human rights, personality, and individuality of employees· Comply with environmental laws and regulations | <ul style="list-style-type: none">· Prohibit bribery and other unfair conduct· Do not engage in conflict minerals procurement or use that contributes to inhumane acts· Preclude all relations with "antisocial forces" (the term used to refer to organized crime groups in Japan)2. Engage in sound and fair business management.3. Based on the JX Nippon Mining & Metals Group's Green Purchasing Guideline, build environmental management systems and properly manage specified chemical substances.4. Offer stable supply capacity and satisfy the quality, price, delivery, and service requirements of the JX Nippon Mining & Metals Group.5. Possess technological capabilities that meet the requirements of the JX Nippon Mining & Metals Group. |
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Initiatives for Local Residents

Development and operation of mines can have a particularly significant impact on the surrounding environment. It is therefore essential to pay due consideration to the human rights of local residents. SCM Minera Lumina Copper Chile, the operator of the Caserones Copper Mine, applies a basic three-point policy for supporting local communities: respect for the lifestyles of local residents, protection of the community and environment, and respect for applicable laws. In keeping with this policy, since the launch of this project in 2007, the operator has held briefings

and engaged in dialogue with the Collas, indigenous people living in the area around the mine site, endeavoring to build trust. As in earlier years, we found no violations of the rights of local residents in fiscal 2020.



Briefing session for residents

TOPICS

Underwent VAP Audit by RBA*

In order to appropriately address increasing corporate social responsibility and demands from client companies, the Group is actively pursuing initiatives in line with international standards. In fiscal 2020, the RBA's Validated Audit Process (VAP) audit was conducted at our Isohara Works. This audit had already been conducted in fiscal 2019 at the Chigasaki Plant of Toho Titanium Co., Ltd. and at the Mito Plant of TANIJOBIS Japan Co., Ltd.

The RBA VAP audit is an assessment of maintenance and compliance with standards and management systems related to labor, safety, health, environment, and ethics, in accordance with the RBA Code of Conduct. This audit's assessment was that Isohara Works was broadly taking good measures. Going forward, we will explore expanding the number of sites subject to audits and, by undergoing audits and implementing PDCA (Plan-Do-Check-Act) cycles to continuously improve our performance, we will contribute to the realization of a sustainable society throughout the global supply chain.



(Left) Isohara Works, (Center) Chigasaki Plant, (Right) Mito Plant

*RBA: Responsible Business Alliance
A business alliance created with the goal of realizing responsible behavior in the electronics industry supply chain.

Confronting the Problem of Conflict Minerals

"Conflict minerals" is the general term for minerals that are mined (illegally, in most cases) in conflict-affected regions, providing a source of funds for local armed groups. The use of these minerals may lead to increasing human rights abuses and inhumane acts. In response to the international trend for stronger information disclosure and monitoring by stakeholders, industry organizations relevant to the Group (including the LBMA*¹ and RBA) have established monitoring programs for eliminating conflict minerals, and require each business operator to undergo investigations and external audits.

• Initiatives in the Gold and Silver Supply Chains

JX Metal Smelting Co., Ltd., as a producer of gold ingots, and JX Nippon Mining & Metals, as a producer of silver ingots, have established and operate a management system for supply chain due diligence that calls for confirmation of the origin of raw materials, risk assessments, and confirmation of distribution routes. Operational status is reported to the LBMA after undergoing an external audit by a third-party organization designated by the association. As a result of these processes, the LBMA has included gold ingots produced at the Saganoseki Smelter & Refinery of JX Metal Smelting Co., Ltd. and silver ingots produced at the Company's Hitachi Works on its Good Delivery List. At the same time, they have been included on the RMAP Conformant Smelters list compiled by the RBA and GeSI*² — recognition that they are taking proper measures to exclude conflict minerals.

*1 LBMA: London Bullion Market Association
An industry association composed of financial institutions and others that deal in gold and silver ingot. Inclusion on this association's Good Delivery List is viewed as a guarantee of high quality and reliability.

*2 GeSI: Global e-Sustainability Initiative
A global trade association of information and communications businesses focused on achieving digital sustainability.

• Initiatives in the Tantalum Supply Chain

TANIJOBIS GmbH, a producer of tantalum powder, implements a strict program of purchasing checks based on international standards for procuring raw materials from conflict-affected and high-risk areas. For example, it purchases materials guaranteed

by the ITSCI*³ to have no involvement in infringements of human rights, and it conducts supply chain due diligence. As a result of these efforts, TANIJOBIS has been included in the RMAP Conformant Smelters list in recognition of its appropriate measures taken to exclude conflict minerals.

In addition, as of fiscal 2019, TANIJOBIS began use of a supply chain due diligence system similar to the ITSCI, by means of the Better Sourcing Program (BSP) provided by the RCS Global Group, an international auditing organization for the raw materials supply chain.

*3 ITSCI: ITRI Tin Supply Chain Initiative
An initiative by the International Tin Research Institute (ITRI), a global industry group for tin. Based on OECD Due Diligence Guidance, it works to enable due diligence from mines to smelters, and to encourage procurement from mines in conflict-affected areas that is free of involvement with local armed groups.

Declaration of Support for White Logistics

At the end of April 2020, we announced our participation in the *White Logistics* movement launched by the Japanese government. As the shortage of truck drivers and aging population become more profound issues, we are working as a unified Group under the leadership of the Logistics Department to address these.

Initiatives for Human Rights in the Supply Chain

In accordance with the Basic Policy on Procurement, the Group conducts checks with its suppliers about issues such as ensuring worker rights, the presence of discrimination in hiring and work, forced labor and child labor, and compliance with prohibition against purchasing conflict minerals. In addition, from fiscal 2019, we launched the CSR Purchasing Questionnaire Surveys to ensure that our entire supply chain practices respect for human rights, occupational health and safety, compliance, environmental conservation, and other initiatives to fulfill our social responsibilities. We provide feedback to our suppliers based on the results of this survey, taking care to prevent infringements of human rights in our supply chain.

VOICE

Comments from a Logistics Team Member

Amid fears of a shrinking workforce in Japan in the near future, the trucking and coastal shipping industries are also experiencing significant shrinking and aging in their workforces, and there are concerns about the impact on logistics. In April 2020, we issued a voluntary declaration of support in agreement with the White Logistics recommendations by the Ministry of Land, Infrastructure, Transport and Tourism, and we have been working to address the seven issues listed in the declaration. In fiscal 2020, each of our logistics team members conducted field re-inspections and detailed surveys of our suppliers. They identified 121 issues, including the re-examination of appropriate rate setting for outsourced transport services, safety measures, and improvement of transportation efficiency. For these, 77 improvements were made through discussions with internal and external stakeholders, mainly logistics personnel at each business location. Large-scale capital investment plans, such as the renewal plans for the area around the logistics port at Isohara Works and the launch of the Oita Recycling Logistics Center, have also adopted White Logistics approaches, incorporating safety measures to prevent vehicle collisions and eliminating driver waiting time. So far, we have already made proactive improvements, such as safety considerations for our drivers and eliminating driver cargo handling. Going forward, we will continue our efforts to improve the operating environment of the logistics industry through White Logistics activities.



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