Materiality 6 Strengthen Governance

# Implementation of Automated Quality Inspection System

The Group promotes the implementation of an automated quality inspection system to improve reliability and efficiency, as well as to prevent human error in quality inspections for a wide range of Group company products. In fiscal 2020, despite impact from the spread of COVID-19, we were able to advance implementation almost entirely as planned, with our future tasks including sharing best practices and rolling this out to new businesses.

## **Liability Claims**

In fiscal 2020, there were no claims pursued under the Product Liability Act due to personal or property damage caused by defects in products made by Group companies.

# **Providing Information on Products and Services**

In accordance with the Basic Quality Policy, the Group provides customers with information on its products and services through product specifications and Safety Data Sheets (SDS)\*. For example, sulfuric acid sold by Group companies is designated as a deleterious substance under Japan's Poisonous and Deleterious Substances Control Act. By limiting our business partners to sellers of poisonous or deleterious substances and issuing

SDSs, we strive to prevent serious negative effects on the occupational health and safety for our customers and their employees after delivery.

\* A Safety Data Sheet (or SDS) is a document that provides information on chemical substances, product names, suppliers, hazards, safety precautions, and emergency responses with regard to a given chemical product.

## **Promotion of Personnel Quality Education**

While improving the Group's quality control level, we also provide quality control education to all employees to improve their problem identification and resolution capability, helping them to logically infer the root cause of a problem and independently resolve it. The Group has developed a wide range of well-established training programs, from introductory to advanced, tailored to the level of participants, and systematically provides training to individual employees according to their occupation and years of service.

Starting in fiscal 2020, the Company's Quality Control Department encourages internal quality auditors to acquire qualifications such as QMS Auditor and is introducing retrospective training from outside instructors in order to improve their competence.



Participants attend a remote education session at Hitachi Works



Practical exercises during a remote education session

#### VOICE

### Comment From a Training Program Participant

I attended an ISO 9001 internal auditor seminar with the goal of becoming an auditor serving in internal quality audits for plants and Group affiliates both in Japan and overseas. At this seminar, I learned the principles of the process approach, as well as the importance of assessing not only conformity with requirements, but also effectiveness in achieving quality objectives. These lessons helped me obtain certification.

In the future, I would like to use the lessons from this seminar to conduct audits with a close understanding of the actual situation of the auditees, and build strong trust relationships. I will also work hard to further improve my skills as an internal quality auditor so that I can contribute to the improvement of our QMS.



Watanabe Satoko
Technology Group, Quality Control
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Message From the Outside Director

# Let's be a core driver in innovating toward greater decarbonization

[Profile] in 2004, Dr. Tokoro became an assistant professor at Waseda University, School of Science and Engineering. After serving as a full-time lecturer and associate professor at Waseda University, Faculty of Science and Engineering (present), she advanced to the position of professor in the same faculty. In 2016, she became a project professor at the University of Tokyo, Institute of Industrial Science (present). In April 2021, she became a professor at the University of Tokyo, Graduate School of Engineering (present). She has served as an outside director of the Company since April 2021. Her fields of study include resource processing engineering and environmental

# Tokoro Chiharu

Outside Director

JX Nippon Mining & Metals Corporation

## My role as an outside director

With my specialty in resource engineering, I have worked with JX Nippon Mining & Metals in a range of activities, including a visit to the Toyoha Mine just before it closed when I was a student, and subsequent research on mine drainage treatment and recycling. The issues of securing resources and resource recycling is entering a phase of importance as a social issue, and my desire is to assist in these areas from my position as a specialist. As I hold a neutral position as a university instructor, I will do my best to provide an impartial perspective on the Company's management.

Separately, since female researchers are very rare in the field of engineering, I have long experienced being a minority. As an outside director, I would also like to provide commentary from a diversity viewpoint and incorporating my experience.

Unconscious bias within an organization impedes promoting diversity. In order to create an organization that is resilient to environmental changes, I believe it is important to neutralize these biases as much as possible, create a workplace where diverse human resources have the power of self-expression, and link human resource diversity to the strength of the organization. I have been a member of the Board of Directors since April 2021. My experience is that it has been much easier to speak up than I had expected, and that we have successfully created a forum enabling open discussion.

# Thoughts on accelerating ESG management

Japanese companies appear to lag behind their peers in the West when it comes to ESG management, but despite this, I think the Company deserves praise for its leadership in driving ESG management in the nonferrous metals industry. The endowed course at the University of Tokyo, in which I have been assisting since 2016, also has the mission of outreach to society as a whole from a long-term perspective, and I believe that JX Nippon Mining & Metals has always maintained a mindset valuing broad contributions to society.

JX Nippon Mining & Metals also has a mission to contribute to the social and environment through the stable supply of metal resources and technological innovation in advanced functional materials. For example, any attempt toward more widespread battery use, smart electricity use, or growth in renewable energies will necessitate high-efficiency foils and wires using copper, a conductive element. Furthermore, since metals can be recycled, we must safeguard our scarce resources by using technology possessed by JX Nippon Mining & Metals to facilitate their repeated use. In other words, since the Company's business is fundamentally related to contributing to the social and environment, we can say that the shift toward ESG management was a logical step to take.

# The road to achieving carbon neutrality

I believe that JX Nippon Mining & Metals plays a very important role in the decarbonization of society. Against this backdrop, the Company has set a very ambitious goal of reducing its total CO<sub>2</sub> emissions by 50% in fiscal 2030 (compared to fiscal 2018). Such a lofty goal cannot be achieved simply through incrementing on existing initiatives; it will require disruptive innovation. I feel it is difficult for a single company to bring about such social innovation by itself. My belief is that now is the time for JX Nippon Mining & Metals to be a core driver in forming a network carefully connecting suppliers, customers, universities, and local communities, founded on the technological capabilities and trust that it has built up over the years.

In its long-term vision, the Company declares a future goal to become a "global company that fosters the development of society's innovation with advanced materials." In order to achieve this goal, it is extremely important to create a cycle of trust through networking with stakeholders around the world. It is my hope that the Company will achieve this vision through creating innovations altering the very foundations of social infrastructure, and that it will continue to be a company indispensable to its society.

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