

Responding to International Norms and Initiatives

The Group recognizes compliance with international norms and initiatives as one of the most important issues across the entire company. We will contribute to achieving a sustainable society by complying with social demands such as recent international norms and initiatives. To this end, we are actively participating in initiatives. We also participate actively in nonferrous metals and other various industry associations, incorporating the knowledge gained through opinion exchanges and information sharing in our business activities.

Communication with Industrial Associations

Name of Association	The Role of JX Nippon Mining & Metals in FY2021	Activity Content
Japan Mining Industry Association (JMIA)	Chairman	The JMIA is an association of companies engaged in the smelting business and nonferrous metal resource development. JMIA promotes the sound growth of the industry by conducting research and publicizing knowledge for technical improvement and making policy proposals to concerned government ministries and agencies. The JX Nippon Mining & Metals Group served as chair of the association in FY2021.
The Sulphuric Acid Association of Japan	Managing Director	This association aims for the sound development of the sulfuric acid industry in Japan. JX Nippon Mining & Metals is involved in the administration of the association as well as in the survey and reporting of supply and demand as a member of the Operations Committee and General Affairs Committee.
Japan Copper and Brass Association (JCBA)	Vice-Chairman	The JCBA works with member companies to promote progress and growth throughout the entire copper production industry. The Group sits on the Roadmap Committee to take part in the improvement of quality and the discovery of new demand. The Group is also involved in the survey and reporting of market size as a member of the Statistics Committee.
Japan Society of Newer Metals (JSNM)	Vice Chairman	The JSNM was established to promote the sound growth of new metals that support high-tech and related industries through research and the collection and provision of information. JX Nippon Mining & Metals sits on the Compound Semiconductors Subcommittee and the Target Subcommittee in order to be involved in the survey and reporting of market size as well as to take part in providing opinions and advice to concerned government ministries and agencies. JX Nippon Mining & Metals also sits on the Safety Committee to contribute to the improvement of health and safety throughout the industry.
Japan Catalyst Recovering Association (JCRA)	Chairman	Comprising companies engaged in the reuse of catalysts, JCRA was established to promote the recycling of precious and minor metals through appropriate processing of used catalysts. It holds periodical training for technical improvement and mutual communication among members while engaging in the investigation and collection of statistics relating to recycling. We provide the chairman of the association and is also involved in the publication of survey reports as well as management of general meetings as a member of the PR Committee.

Related Initiatives

United Nations Global Compact



The United Nations Global Compact is a global framework for companies and organizations to act as good members of society and achieve sustainable growth. We have been participating in the program since August 2008, supporting the 10 principles in four areas and are striving to achieve them.

WEB → UN Website

<https://www.unglobalcompact.org/>



Extractive Industries Transparency Initiative (EITI)



The EITI is the multilateral cooperation standard for the promotion of open and accountable management of extractive resources with the goal of reducing poverty and achieving sustainable development in resource-producing countries. Being engaged in resource development at the global level, JX Nippon Mining & Metals agrees to the goals of the EITI and supports its activities.

WEB → EITI Website

<https://eiti.org/>



Carbon Disclosure Project (CDP)



The CDP is an international NGO based in London. It is an organization that collects, analyzes, and evaluates information on the environmental activities of the world's major corporations and discloses these results to institutional investors. Our company engages in the disclosure of information on climate change and water safety, which the CDP has identified as priority issues. We also disclose information through questionnaires to our business partners.

WEB → CDP Japan Website

<https://www.cdp.net/en>



International Council on Mining and Metals (ICMM)



The ICMM is an international organization established to promote the sustainable growth of society through the nonferrous metal industry business. As a member of the ICMM, JX Nippon Mining & Metals established the Code of Conduct in accordance with the ICMM Mining Principles and are working to resolve various issues raised in the Position Statements.

WEB → ICMM Website

<https://www.icmm.com/>



Task Force on Climate-related Financial Disclosures (TCFD)



The TCFD is an organization established by the Financial Stability Board (FSB) that recommends companies disclose climate change-related risks and opportunities. In May 2019, ENEOS Holdings endorsed and signed the recommendations set out by the TCFD. In response, the Group is moving to disclose information in line with the aims of these recommendations.

WEB → TCFD Website

<https://www.fsb-tcfd.org/>



Challenge Zero



Challenge Zero is an initiative established by Keidanren, in partnership with the Japanese government, to encourage companies and organizations to innovate toward creating decarbonized societies. The JX Nippon Mining & Metals Group announced our participation in June 2020.

WEB → Challenge Zero Website

<https://www.challenge-zero.jp/en/>



Section 1 Vision and Value

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GX League



The GX League, led by the Ministry of Economy, Trade and Industry (METI), is a framework for industry, government, and academia to collaborate in the challenge of Green Transformation (GX) with a view to achieving carbon neutrality by 2050 and reforming Japan's entire economic and social system. We participate in GX activities, and we expressed our support for the GX League Basic Concept.

WEB GX League Website
<https://gx-league.go.jp/>



WIPO Green



WIPO GREEN is a framework for technology exchange launched by the World Intellectual Property Organization, a specialized agency of the United Nations. The aim of this organization is to spread the adoption of environmental technologies and promote innovation. Entities participate by registering environmental technology in the organization's database. WIPO then matches technology with individuals and organizations. We have registered intellectual property related to our proprietary copper-recovery technology, the JX-Iodine Process, in the database.

WEB WIPO GREEN Website
<https://www3.wipo.int/wipogreen/en/>



Copper Mark

Established in 2019 by the International Copper Association (ICA), the Copper Mark is a framework to demonstrate the copper industry's responsible production and contributions to the SDGs of the United Nations. In March 2022, we began the process of acquiring Copper Mark certification for the Saganoseki Smelter & Refinery and the Hitachi Works operated by JX Metals Smelting Co., Ltd.

WEB Copper Mark Website
<https://coppermark.org/>



Partnership Development Declaration

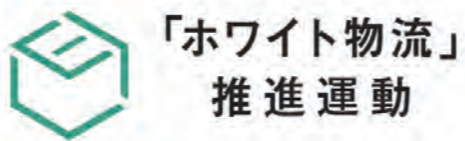


The Partnership Development Declaration is an initiative that aims to increase added value throughout the supply chain by having corporate leaders declare supply chain-wide coexistence and coprosperity, that new partnerships will transcend size, affiliation, etc., and that participants will engage in desirable business practices with subcontractors. We announced our participation and declaration in April 2022.

WEB Partnership Development Declaration Portal Site
<https://www.biz-partnership.jp/>



White Logistics Movement



The *White Logistics* Movement is a movement promoted by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) drives a movement to encourage an understanding among companies and the public regarding sustainable logistics. We announced our participation in April 2020, and our Logistics Department leads company-wide efforts in this area.

WEB White Logistics Campaign Portal Site
<https://white-logistics-movement.jp/>



Responsible Business Alliance (RBA)

The RBA is an industry association consisting mainly of electronics manufacturers and suppliers of electronic components. Many of our customers are members of the RBA. The JX Nippon Mining & Metals Group pursues stronger ESG initiatives by conducting activities in accordance with the code of conduct established by the RBA.

WEB RBA Website
<https://www.responsiblebusiness.org/>





Outside Director Message

We have high expectations for global growth as JX Nippon Mining & Metals adopts dynamic changes to keep pace with the times.

JX Nippon Mining & Metals Corporation
Outside Director
Itoh Motoshige

[Profile]
Born in 1951 in Shizuoka Prefecture. Professor Itoh graduated from the University of Tokyo, Faculty of Economics in 1974. He obtained a Ph.D. in economics from the University of Rochester in 1979. His specialization is in international economics. After serving as a professor at the University of Tokyo, he assumed his current post as professor in the Faculty of International Social Sciences at Gakushuin University in April 2016. He has also been professor emeritus at the University of Tokyo since June 2016. Mr. Itoh served as a member of the Council on Economic and Fiscal Policy for six years beginning in 2013. He has been an outside director of the Company since April 2022.

My Role as an Outside Director

The JX Nippon Mining & Metals board of directors ensures the company meets the principles of the Corporate Governance Code, establishing governance functions comparable to those of listed companies, even though the company is not publicly traded itself. And since JX Nippon Mining & Metals is a manufacturing company in possession of superior proprietary technologies, the company's management team is a group of highly specialized professionals who naturally favor a focus on technology. As an economist, I recognize that one of the important roles I fulfill as an outside director is to provide an economic perspective to board deliberations. Over the next 10 to 20 years, we will see entire business model transformations in the manufacturing industry. I strive to express my own views on the intersection between the company's business and the economy in board meetings.

ESG Management and the Importance of Information Disclosure

Climate change, circular economy, and respect for human rights are the most important topics to address under the SDGs. Companies exist by making profits, but at the same time, it is important to provide sustainable value to all stakeholders. These stakeholders include the global environment, local communities, and employees. Further, I think we can say that society expects us to set more concrete targets and achieve specific results, not just abstract theories.

To address climate change, for example, JX Nippon Mining & Metals set an interim goal to reduce total in-house CO₂ emissions by 50% in fiscal 2030 versus fiscal 2018, achieve net zero by fiscal 2050. The group is taking a positive stance toward achieving the goal of net-zero CO₂ emissions by the year 2050. It won't be easy for the group to achieve this target. But I believe it is very meaningful to demonstrate a stance to society using

concrete data and examples.

In recent years, many so-called watchdog shareholders have nominated directors committed to decarbonization. In some cases, institutional investors have joined corporate boards in support of these nominations. This is a sign that investors around the world look beyond short-term profits, recognizing that climate change is a medium- to long-term business risk. In light of this trend, it will be increasingly important to engage in ESG finance, including transition finance. Expanding internationally required information disclosures, such as TCFD, will also be increasingly emphasized.

The Importance and Role of the Nonferrous Metals Industry

In economics, returns do not exist where there is no risk. JX Nippon Mining & Metals is investing aggressively in its Focus Businesses. In areas where demand is growing, such as semiconductors, battery recycling, and renewable energy, investments must be made to capture demand. In this context, the board must recognize the potential risks, and then strive to diversify and minimize those risks. In addition to climate change, which I mentioned above, geopolitical risks such as the friction between the U.S. and China are on the rise. I believe the company should take advantage of its broad product lineup to diversify risks, keeping a flexible mindset.

From my perspective as an economist, I believe the source of the strength of the Japanese economy lies in raw materials, and that the raw materials industry is indispensable to Japan. Every field related to materials requires a high level of expertise, and nonferrous metals are one of the fields in which the company plays its most important role. I look forward to JX Nippon Mining & Metals further refining the strengths it already possesses, growing globally as it undergoes dynamic transformations to meet the needs of the times.