

Section 1 Vision and Value

Responding to International Norms and Initiatives

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

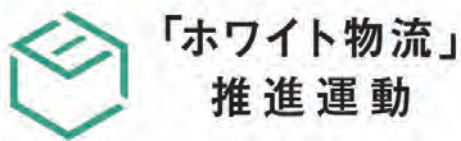


The Partnership Development Declaration is an initiative that aims to increase added value throughout the supply chain by having corporate leaders declare supply chain-wide coexistence and coprosperity, that new partnerships will transcend size, affiliation, etc., and that participants will engage in 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.