

## Materiality 4 Respect Human Rights

The JX Metals Group 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.



KPIs and Progress

Assessment: 😊 Achieved/Steady Progress ☹️ Not Achieved

KPI	FY2022 Results/Progress	Assessment
Percentage of employees taking human rights training (100% in FY2022)	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 2022, 100% of our officers and employees participated in these ongoing human rights training programs.	😊
Conduct survey of human rights in supply chains	We have established and operate a supply chain due diligence management system in accordance with OECD guidance for procurement of raw materials. In fiscal 2022, our external audits covered not only gold, silver, tantalum, platinum, and palladium but also copper. These audits determined that we were taking appropriate action. We also had our suppliers complete a CSR Questionnaire.	😊

### Respect Human Rights Principles

The Group is committed to advancing human rights due diligence and addressing human rights issues in accordance with internationally recognized guidance.

#### Established JX Metals Group Human Rights Policy

We adopted JX Metals Group Human Rights Policy on August 1, 2023. This Group policy is based on the United Nations Guid-

ing Principles on Business and Human Rights, and it is intended to guide how we respect human rights in all the countries and regions where we conduct business.

#### JX Metals Group Human Rights Policy

JX Metals Group understands that human rights of individuals must be respected in all countries and regions in which it conducts business activities, and as the guidelines for fulfilling its responsibility and obligation for ensuring the above, hereby stipulates this “JX Metals Group Human Rights Policy” (hereinafter referred to as this “Policy”) based on the “Guiding Principles on Business and Human Rights” set forth by the United Nations. JX Metals Group positions this Policy as the primary policy on human rights in conducting its business activities and continues to promote its efforts in upholding human rights.

1. Commitment to Respecting Human Rights

While understanding that its business activities may have a direct or indirect impact on an individual's human rights, JX Metals Group fulfills its responsibility for respecting human rights by avoiding any possible violation of human rights, and pledges to take appropriate actions to correct any negative impact on human rights that may be caused in the course of its business activities.

JX Metals Group supports and respects the following international codes on human rights:

- The United Nations’ (UN) “International Bill of Human Rights”, which stipulates the basic human rights of all individuals (including the “Universal Declaration of Human Rights”, the “International Covenant on Civil and Political Rights”, and the “International Covenant on Economic, Social and Cultural Rights”);
- The International Labour Organization’s (ILO) “ILO Declaration on Fundamental Principles and Rights at Work”, which stipulates the fundamental rights of workers such as their wages and working hours;
- The “United Nations Declaration on the Rights of Indigenous Peoples”;
- The UN’s “Children’s Rights and Business Principles”;
- The Organization for Economic Co-operation and Development’s (OECD) “OECD Guidelines for Multinational Enterprises on Responsible Business Conduct”;
- The “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict- Affected and High-Risk Areas”;
- and other international codes on human rights

JX Metals Group complies with laws and regulations applicable in each country and region in which it conducts business activities, and in the event of a conflict between internationally-recognized human rights codes and the laws of each respective country and region, JX Metals Group will seek a way to respect international human rights principles above all else.

2. Human Rights Due Diligence

To fulfill its responsibility for respecting human rights, JX Metals Group establishes and continues to implement a structure for “human rights due diligence”. Human rights due diligence refers to a continuous process to prevent and reduce any possible negative impact on human rights that it could cause to society, by conducting preventive investigations and developing early identification systems, taking corrective actions where applicable, and externally disclosing the progress and results of those activities.

3. Remedies

In the event that JX Metals Group discovers that it has caused or contributed to any negative impact on human rights, it will endeavor to correct such a situation as seen fit. All parties involved, including, but not limited to, employees, employees in its supply chain, local residents, and other stakeholders, will be referred to an ever-improving complaint hotline where they can file formal complaints.

4. Education

JX Metals Group will provide appropriate education to its officers and employees to ensure that this Policy is incorporated into the business activities of all JX Metals Group companies.

5. Information Disclosure

JX Metals Group will disclose the progress and results of its efforts in respecting human rights under this Policy on its website, in a report or other forms.

6. Dialogue / Consultation

JX Metals Group will hold a sincere dialogue with any relevant stakeholders as to any violations on human rights that could be caused in the course of business activities so that it (JX Metals Group) can understand and address the issue from the view of the potentially affected individuals.

7. Scope of Application

The Policy shall apply to all officers and employees of JX Metals Group. JX Metals Group also requires that all business partners related to its business activities understand and cooperate with this Policy.

The Policy has been approved by our Board of Directors and signed by our president and chief executive officer.

August 01, 2023  
President and Chief Executive Officer, JX Metals Corporation  
**Hayashi Yoichi**

## Respect Human Rights in Supply Chains

In all of our business activities, the Group will respect the fundamental human rights of our own employees and all those involved in our supply chain, and at the same time we will strive to mitigate potential human rights risks.

### JX Metals Group Basic Policy on Procurement (Excerpt)

- 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 our business operations, it is necessary, not only that we in the JX Metals Group fulfill our responsibilities to society, but that our business partners do the same across their own supply chains. 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.

- 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 environmental laws and regulations
  - Prohibit discrimination based on race, gender, etc. and respect the human rights, personality, and individuality of employees
  - Prohibit bribery and other unfair conduct
  - Preclude all relations with "antisocial forces" (the term used to refer to organized crime groups in Japan)
  - Comply with labor-related laws and regulations
  - Prohibit child labor and forced labor
  - Comply with environmental laws and regulations
  - Do not engage in conflict minerals procurement or use that contributes to inhumane acts
- Engage in sound and fair business management.
- Based on the JX Metals Group Green Purchasing Guideline, build environmental management systems and properly manage specified chemical substances.
- Offer stable supply capacity and satisfy the quality, price, delivery, and service requirements of the JX Metals Group.
- Possess technological capabilities that meet the requirements of the JX Metals Group.

## Initiatives for Human Rights in the Supply Chain

In accordance with the Basic Policy on Procurement, the Group conducts checks with our 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, in fiscal 2019, we began conducting CSR Procurement Questionnaires to foster CSR in procurement across our entire supply chain.

In fiscal 2022, we had 183 suppliers complete a CSR Procurement Questionnaire with questions covering nine subjects, including compliance, supply chain, environment, human rights, and labor. Aggregating the responses confirmed that we had no significant issues to address. We will continue to conduct these questionnaires and provide feedback to our suppliers, while at the same time taking precautions to prevent human rights violations from occurring in our supply chain.

## Prohibit Forced Labor, Child Labor, and Discrimination

Our Group Policy for Selecting Procurement Partners extends to our supply chain and stipulates that forced labor, child labor, racial discrimination, and gender discrimination are prohibited and that there is to be compliance with all labor laws and regulations. Neither in the Group nor among our suppliers have there been any reported cases of forced labor, child labor, violations of freedom of association, factory shutdowns due to strikes, or employment discrimination. Going forward, we will continue to prohibit forced labor, child labor, and discrimination of all kinds.

## Underwent VAP Audit by RBA\*

Corporate social responsibility and the demands of our corporate customers are increasing every year, and to appropriately respond to these, the Group is actively implementing initiatives in line with international standards. In fiscal 2019, audits under the RBA's Validated Audit Process (VAP) were conducted at the Chigasaki Plant of Toho Titanium Co., Ltd. and at the Mito Plant of Isohara Works in fiscal 2020.

The RBA VAP audit is an assessment of maintenance and compliance with standards and management systems related to labor, safety, health, the environment, and ethics, in accordance with the RBA Code of Conduct. In fiscal 2021, the Chigasaki Plant of Toho Titanium Co., Ltd. received Platinum certification, the highest level in the RBA certification program, with Isohara Works receiving the same level of certification in fiscal 2022. Going forward, we will implement PDCA (Plan-Do-Check-Act) cycles to continuously improve our performance, which in turn will enable us to contribute to the realization of a sustainable society across our entire global supply chain.

\* Responsible Business Alliance (RBA)  
A business alliance created with the goal of realizing responsible behavior in the electronics industry supply chain. This organization establishes standards to ensure safe working environments, dignity and respect in worker treatment, and responsible business activities vis-a-vis the environment.



Isohara Works



Chigasaki Plant, Toho Titanium Co., Ltd.



RBA-issued VAP audit certificates  
(Left) Isohara Works, (Right) Chigasaki Plant of Toho Titanium Co., Ltd.

## The Copper Mark\* Awarded to Saganoseki Smelter & Refinery and Hitachi Works

In March 2022, JX Metals Smelting Co., Ltd. began the process of obtaining certification under The Copper Mark for its Saganoseki Smelter & Refinery and Hitachi Works. After an audit conducted by an independent third-party organization, in January 2023, it became the first company in Japan to obtain this certification.

Both plants have been pursuing responsible production for a number of years, and The Copper Mark is an objective recognition of compliance at the plants across 32 criteria that cover a wide range of standards, including those on the environment, human rights, community, and governance. Going forward, both plants will continue to be evaluated on their compliance with the various standards necessary to maintain The Copper Mark.

\*The Copper Mark  
A framework established in 2019 to demonstrate the contributions made by the copper industry to responsible production and the SDGs advocated by the United Nations. The Copper Mark is certification based on an independent, third-party assessment of compliance with environmental, human rights, community, and governance standards. Evaluations are conducted by an independent third-party organization, and after initial certification, evaluations of a certified company's continued compliance are conducted every three years.



The Copper Mark awarded to Saganoseki Smelter & Refinery

### 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\*<sup>1</sup>, LPPM\*<sup>2</sup>, and RBA) have established monitoring programs for eliminating conflict minerals, and require each business operator to undergo investigations and external audits.

\*1 London Bullion Market Association (LBMA)  
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 London Platinum and Palladium Market (LPPM)  
An industry association composed of financial institutions and others that deal in platinum and palladium ingot. Inclusion on this association's Good Delivery List is viewed as a guarantee of high quality and reliability.

### Initiatives in Copper, Gold, Silver, Platinum, and Palladium Supply Chains

JX Metal Smelting Co., Ltd., as a producer of gold, silver, platinum, and palladium ingots, has established and operates a management system for supply chain due diligence that calls confirmation of the origin of raw materials, risk assessments, and confirmation of distribution routes. Operational status is reported to the LBMA and LPPM after undergoing an external audit by a third-party organization designated by the association. As a result of these processes, both of these organizations have put the company's gold, silver, platinum, and palladium ingots on their respective Good Delivery Lists. At the same time, the company has also been included on the RMAP Conformant Smelters list for gold compiled by the RBA and GeSI\*—recognition that it is taking proper measures to exclude conflict minerals.

For refined copper, the company also established a supply chain due diligence management system, which includes confirmation of the origin of raw materials, risk assessment, and distribution channels. The system began operating in fiscal 2022. Its operational status is verified by external audits conducted by a third-party organization, as stipulated under the process followed to obtain The Copper Mark.

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



LBMA and LPPM issued external audit certificates

### Initiatives for the Tantalum Supply Chain

TANIOBIS 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\* to have no involvement in infringements of human rights, and it conducts supply chain due diligence. As a result of these efforts, TANIOBIS 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, TANIOBIS 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.

\* ITRI Tin Supply Chain Initiative (ITSCI)  
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.

### 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 2022.



Briefing session for residents

### White Logistics Activities

At the end of April 2020, we announced our participation in the White Logistics movement launched by the Japanese government. We are promoting activities to resolve various issues based on our voluntary declaration of support for this movement. For example, in contracts with logistics providers, we are promoting appropriate action for contract reviews, such as separating driving from ancillary work, studying and introducing fuel surcharges, and reaffirming compliance with labor-related laws and regulations and trucking business-related laws and regulations.

### Activity Content in Our Voluntary Declaration of Support

Activities	
1	Making suggestions and cooperating in logistics improvements
2	Separating driving from ancillary work
3	Studying modal shifts for CO <sub>2</sub> reduction
4	Establishing fuel surcharge agreements
5	Incorporating legal compliance considerations when selecting contracting parties
6	Taking safety measures during loading and unloading
7	Cancelling/suspending service during abnormal weather, etc.

### Human Rights Education and Internal Awareness Raising

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.

**JX Metals Group Compliance Regulation (Excerpt)**

**Prohibition of unjust discrimination**

JX 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 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 Metals Group companies and their officers and employees shall comply with personal information protection laws, regulations, and internal rules, adequately 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 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

In fiscal 2022, we conducted training for all Group employees on human rights on the subject of Business and Human Rights. This subject was chosen to deepen the multilayered understanding of human rights issues in line with the increasing importance of companies addressing such issues, which now extend along the entire supply chain. To make it easier for employees to learn about this important subject, we created videos on why it is necessary for companies to address human rights issues and the various human rights initiatives our Group companies are taking. The videos are designed to provide employees with a basic understanding of two subjects: Business and Human Rights and the human rights of our stakeholders. This in turn raises the awareness of both subjects among all our employees.

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.

**Work Categories**



**Total Hours Spent in Human Rights E-Learning Training**  
(Number of trainees x course hours) **1,077 hours** (FY2022)

### Human Rights Consultation and Remedies

The Group has established the JX 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 portal and disseminated through various training programs, including human rights training. No one using the hotline for consulting or reporting shall be subjected to disadvantageous treatment for its use. Seven reports were made to the hotline in fiscal 2022.

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.

We have also established the JX Metals Group Supplier Hotline and a Group website-based Help Desk as a consultation service available to external stakeholders, such as suppliers, suppliers' employees, and local residents. The hotline and Help Desk have been set up to offer a process for remediation and redress that can be accessed by stakeholders affected by acts of the Group that violate or may violate laws and regulations. All consultations are conducted on an anonymous basis. In addition, the Group will never treat an individual or their employer unfavorably for using these consultation services or reporting a concern.

## Materiality 5 Coexistence and Co-Prosperity With Local Communities

Since the inception of our business at the Hitachi Mine, the JX Metals Group has emphasized the spirit of maintaining good relations with local communities in conducting business. Keeping alive that spirit today, we have written coexistence and co-prosperity with society into our Code of Conduct. We additionally set an action plan for each fiscal year and work day to day to fulfill it.

Social Contribution Activities



▶ P90

Stakeholder Engagement



▶ P93

**KPIs and Progress**

Assessment: 😊 Achieved/Steady Progress ☹️ Not Achieved

KPI	FY2022 Results/Progress	Assessment
Continuing dialogue with local communities	Despite the impact of COVID-19, we endeavored to understand the needs of local communities, building trust with stakeholders related to corporate activities through ongoing dialogue.	😊

### Social Contribution Activities

With the goal of further strengthening relationships with local communities through social contribution activities, the JX Metals Group conducted community-based initiatives at each of our operating sites in Japan and overseas. While the impact of COVID-19 resulted in restrictions or limitations on our activities, we endeavored to create opportunities for communication with local communities, valuing the spirit of coexistence and co-prosperity that we have pursued since our founding.

**Results of Main Social Contribution Activities in FY2022**

	Activity	Location	Date	Description
Environmental Conservation Activities	Cleanup around plant areas	Isohara Works	May 2022	Ninety-five employees and their families participated in an environmental beautification campaign organized by Kitaibaraki City to pick up trash around the Otsu Port.
	Sagami River Cleanup Campaign	Kurami Works	May 2022	About 90 employees participated in a beautification activity conducted mainly by local governments to preserve the environment in the Sagami River basin.

● **Environmental Conservation Activities**



Employees participating in the Sagami River Cleanup Campaign