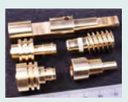
Overview of Sustainability Activities

Based on our Corporate Philosophy of "For People, Society and the Earth," the Group actively and proactively engages in sustainability initiatives, receiving high praise from many outside organizations in the fiscal year ended March 2024.
Moving forward, we will continue to promote business activities that earn the trust of our stakeholders, and fulfill our social responsibilities.

indicates an award or certification from an outside organization.

	FYE March 2024	FYE March 2025
Promotion of resource circulation	Establishing the Resource Circulation Strategy Meeting Decision to build a pilot plant to establish lithium-ion battery recycling technology Launch of Japan's first recycled metal brand, "REMINE"	Partnership with Chilean Technical Institute of Higher Education, Duoc UC, to collect used electrical and electronic equipment Conclusion of an agreement to acquire shares of H.C. Starck Holding
Strengthening measures to address global environmental issues	"Teine Forest, one of the Materials' Forests," certified as a "Nationally Certified Sustainably Managed Natural Sites" Teine Forest, one of the Materials' Forests (Sapporo, Hokkaido) Accelerating the transition to renewable energy at Metals business sites Naoshima Smelter & Refinery Start of procedures to obtain Copper Mark certification Selected as a CDP 2023 "Supplier Engagement Leader" Commencement of commercial operation of the Appi Geothermal Power Plant Panoramic view of Appi Geothermal Power Plant	Introduction of an internal carbon pricing system
Enhancement of human capital	Support for "Business for Marriage Equality" First certification as an "Excellent Health Company (Gold Certification)" Held a career event, "a month to learn about MMC's jobs and people, and career vision" Received a "Silver" award in the PRIDE Index 2023 Certification as a "Sports Yell Company" 2023-24 from the Japan Sports Agency Selected for the first time as "Human Capital Management Quality 2023 (Silver)" in the Human Capital Survey 2023 Eight non-ferrous metals companies jointly hold a "DEI Forum" for International Women's Day First certification as a White 500 "Health & Productivity Management Outstanding Organization (Large Enterprise Category)"	Selected for the first time as "Tokyo Sports Promotion Company"
Activation of communication	Formulation of Community-based Social Contribution Policy for the Group Initiatives by third-term ambassadors to promote ownership of Our Commitment Awarded the "Silver Prize" for the first time at the Ministry of the Environment's 5th ESG Finance Awards Japan Selected as "Excellent Integrated Report" by GPIF's Japanese equity investment division	Examining new Our Values to realize "Our Commitment" together with all Group employees worldwide
Strengthening information security	Mitsubishi Materials IT Solutions Co., Ltd. established to consolidate and strengthen Group system operation Held "Information Security Workshop" for information security management in Japan Introduction of "Digital Workplace Solutions" to restructure PC management	
Strengthening response to SCQ issues	Compliance training (For Group companies in Japan and abroad, for executives) 342 people participated in risk simulation training, 240 people participated in safety and health training (FYE March 2024 result) Held "Quality Review Day" and carried out training, internal audits and patrols	Held "Safety Declaration Day" and continued efforts to ensure serious accidents are not forgotten
Enhancement of sustainable supply chain management	Luvata receives exclusive license for GloBrass® in Europe and North America Luvata concludes a sublicense agreement for GloBrass® with Wieland-Werke AG  Faucets and automotive parts (Valves, thermal sensors, general purpose products, etc.) Identification and assessment of human rights risks through supplier self-checks Cobalt recovery tests commence at pilot plant at Mantoverde Copper Mine Memorandum of Understanding signed with Anglo American to build a sustainable and responsible supply chain	Announcement of statement regarding efforts to prevent forced labor and child labor following the implementation of Canada's Modern Slavery Act
Deepening of DX	Selected for the first time as a "Noteworthy DX Companies 2023" jointly selected by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange Release of sampling video viewing function for E-Scrap business platform "MEX" Implementation of DX talent development and literacy improvement initiatives Introduction of ERP to reform and standardize accounting business processes and start of operation at head office	Selected for the second year in a row as "Noteworthy DX Companies 2024"
Pursuit of value creation	Successful development of manufacturing technology for materials used in all-solid-state batteries for xEVs Received award at the Japan Institute of Copper's 57th Paper Awards for a research paper on oxygen-free copper Held MMC Acceleration Program "Wild Wind" 2023 MMC Acceleration Program "Wild Wind" 2023 Mitsubishi Materials España, S.A.U.	Development of copper alloy: Received the Science and Technology Award (development category) at the 2024 Minister of Education, Culture, Sports, Science and Technology Awards
Geopolitical and geoeconomic risks	Onahama Smelting & Refining Co., Ltd. becomes a wholly owned subsidiary Establishment of the New Europe Company Preparation Department Mitsubishi Materials España, S.A.U. completes expansion of its cemented carbide tool plant	PT. Smelting becomes an equity method affiliated company
Financial risks	Formulation of tax policy Formulation of a transition-linked finance framework Management of defined benefit corporate pension plans and defined contribution plans Pooling of funds within the Group, general lending and parent-subsidiary loans	

Message from the Chief Sustainability Officer

Based on our Corporate Philosophy of "For People, Society and the Earth," the Group will promote business activities that earn the trust of all our stakeholders.

Strengthening our response in terms of safety and compliance were key issues for the fiscal year ended March 2024. We proactively address these issues to build a system where all employees view safety and compliance as their own personal responsibility, making continuous improvements autonomously. We also strive to further improve all matters set forth in our Sustainability Policy.

Tetsuya Tanaka
Managing Executive Officer
CSuO, Responsible for Business Process Management, Safety, Environment & Quality, Environmental Stewardship Center, Sustainable Development, Legal & Compliance

Sustainability Initiatives in FYE March 2024

Regarding our sustainability initiatives in the fiscal year ended March 2024, we have evaluated activities so far as having achieved good results in terms of environment and quality. In environment, we achieved zero serious environmental accidents or violations of law and regulation that could result in administrative action. In quality, our steady efforts are beginning to pay off, which can be seen in the downward trend of the number of complaints. However, results were disappointing in safety and compliance, with the number of people affected by lost-time accidents in Japan totaling 24 in 2023, including 14 employees of the Company and 10 at subsidiaries, which was the worst result for the Company in the past five years. Furthermore, the number of compliance violations rose and 2023 was also our worst result in the past five years.

Issues and Initiatives for FYE March 2025

Taking the results of the fiscal year ended March 2024 into account, we will focus on safety and compliance initiatives in the fiscal year ending March 2025. In safety, we will assign a person with experience as a general manager of the Safety, Environment and Quality department of the Corporate Division to be the dedicated person in charge of companies with issues, ensuring the provision of necessary support. Furthermore, we have designated the Naoshima Smelter & Refinery of the Metals Company and the Sambo Plant of the Advanced Products Company as priority locations for safety reinforcement, and we will work with each company to promote improvement activities, including the dispatch of consultants. The Group will further strengthen information sharing and conduct visits between sites to ensure the visibility of individual safety activities, thereby encouraging employees to take ownership of and promote these endeavors. In addition to these activities, we plan to conduct a safety awareness survey across the Group to reaffirm and improve our level of safety awareness. In compliance, we will continue to raise awareness of harassment through video distribution and training, and will provide focused education and training at relevant locations regarding serious cases arising from individual morals in order to encourage employees to make solving these issues their own personal responsibility.

Sustainability in the Group

Our policy is to tackle sustainability in the Group from two perspectives. First, activities necessary for sustainability of Group business, and second, activities that contribute to the sustainability of people, society and the earth through Group business. Based on our Corporate Philosophy of "For People, Society and the Earth," the Group will promote business activities that earn the trust of all our stakeholders and fulfill our social responsibilities. Furthermore, we are dedicated to taking a more proactive approach to sustainability and the achievement of sustainable growth as a Group by realizing Our Commitment. As CSuO, I will focus on safety and compliance above all else to build a system where all employees view sustainability, including safety and compliance, as their own personal responsibility, making continuous improvements autonomously. We will continue to strive to improve all matters set forth in our Sustainability Policy.

Workplace Safety and Hygiene

Safety & Health are given the first priority in business decisions made at the Mitsubishi Materials Group.

The MMC Group Code of Conduct states in Article 2: "We are committed to providing a safe and healthy environment for all our stakeholders." This commitment reflects our realization that we must preserve our employees' safety and health to enable them to provide their families with secure and happy lives, and to contribute to our effective operation and continued development as a company. In our SCQDE order of priority in business decisions, "S" (Safety & Health) is given the first priority.

MMC Group Basic Policy on Safety and Health Management

1) We will carry out safety and health activities based on full participation from all employees, underpinned by leadership and initiative from the Chief Executive Officer and other managing personnel.
2) We will ensure that all employees comply with the Industrial Safety and Health Act and other applicable legislation, manuals and operating procedures, and establish a workplace culture whereby everyone follows the rules and ensures that others do too.
3) We will make every effort to create pleasant workplaces that are healthy for both body and mind, for all employees, through activities aimed at creating open workplaces and promoting health.
4) We will take preventive measures in accordance with Ministry of Health, Labour and Welfare guidelines on the prevention of work-related traffic accidents and improve road etiquette amongst all employees, in order to eliminate traffic accidents based on Our Commitment to promoting road safety activities as an example to society as a whole.

Promotion of Safety and Health Activities

In 2014, an explosion at the Yokkaichi Plant*, which was one of our plants at the time, took the lives of five employees of MMC and partner companies. Based on a strong determination to never allow such an accident to occur again, the Group launched the Zero Occupational Accident Project in 2014 with the goal of eliminating all serious accidents, and is now promoting a safety management system for the entire Group.

In 2024, we will continue to aim for the goals set in the Zero Occupational Accident Project, which is to have zero accidents resulting in four or more lost days over the course of a year, and eliminate fires, explosions and other accidents. As the number of lost-time injuries increased in 2023, we will continue to implement thorough equipment safety measures through risk assessment in 2024. We will conduct a safety awareness survey, including at domestic Group companies, to improve issues. We will also strengthen our efforts to reduce lost-time injuries by selecting priority safety management bases. While there were 11 (5 non-consolidated) fire and explosion accidents in 2023, which is less than half of the 23 (13 non-consolidated) that occurred in 2022, we are focusing on operations to prevent such accidents to further reduce this number.

*On March 31, 2023, we transferred our polycrystalline silicon business to High-Purity Silicon Corporation through an absorption-type split, and transferred all of its shares to SUMCO Corporation.

Hazard Sensitivity Education

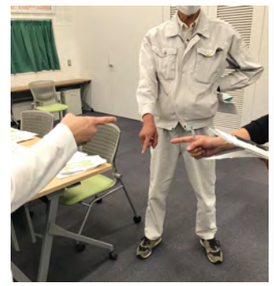
At the Safety and Health Education Center, Midori-kan located at the site of our Saitama Office, we provide hazard sensitivity training (50 types of simulation equipment) and safety and health education for our Group employees in order to improve sensitivity and detection of hazards. Business sites within the Group use dismantlable, portable virtual reality (VR) hazard experience devices to improve sensitivity.

Chemical and high-pressure water hazard experience

Explosion and gas hazards experience

KYT (Hazard Prediction Training)

Since the fiscal year ended March 2024, the Health and Safety Education Center Midorikan has been providing KYT education so that each employee can learn in advance about "unsafe conditions" and "unsafe behaviors" lurking in their work or workplace, and can practice risk prediction (KY) by thinking up and implementing countermeasures on their own. Participants learn the basics of KYT as well as lectures and practical techniques such as 4R (round) KY and solo KY as practical education that can be used in the workplace.



Related Information:

Sustainability Report ▶ Strengthening Response to SCQ Issues ▶ Prevention of Occupational Accidents
https://mmc.disclosure.site/en

Corporate website ▶ Safety and Health Activities
https://www.mmc.co.jp/corporate/ja/company/safety.html

*This data is only available in Japanese on the website.

Compliance

"Compliance" serves as a vital component of a company as the foundation for achieving sustainable development. The Group promotes initiatives to spread and establish awareness in order to ensure all employees view compliance as their personal responsibility.

Spreading and Establishing an Awareness of Compliance

Our broad view of compliance encompasses such elements as corporate ethics and social norms in addition to legal compliance, reflecting our sincere determination to live up to our stakeholders' expectations.

The Chief Sustainability Officer (CSuO) is an Executive Officer who oversees compliance, supervising activities to ensure compliance with the Code of Conduct and other relevant laws. Compliance status, including compliance with the Code of Conduct, is regularly reported to the Board of Directors.

We are continually implementing new measures to enhance our Group-wide compliance framework, aimed at realizing our steadfast commitment to improving compliance awareness among individual Group employees. We will strive to further spread and establish awareness of compliance and related initiatives.

Activities Conducted to Raise Compliance Awareness

Since 2006, we have designated October as Corporate Ethics Month. Each October, the CEO posts a message on the Company intranet, and business sites and Group companies plan and conduct unique activities.

In order to instill our Corporate Philosophy, Vision, Mission, Values, Code of Conduct and Our Commitment in Group employees, we created cards, posters and the Handbook for Our Group Employees (Basic Edition) in 19 languages, and these are distributed to employees around the world via the intranet. An employee handbook case study collection was distributed via the intranet and used in training activities conducted by Group companies in Japan. The Code of Conduct includes Antimonopoly Act compliance. We are working to spread awareness of SCQDE through training, education, cards, etc.

Additionally, through small group compliance activities, we are working to foster compliance awareness and improve workplace communication by having employees share a healthy sense of urgency, view issues as those that affect them, and exchange opinions.

Expanding and Reinforcing Compliance Education

We provide compliance education and training for Mitsubishi Materials Group employees in Japan and overseas by utilizing external instructors, e-learning, etc.

We have a system in place to allow all Group company employees in Japan to take compliance training annually. In the fiscal year ended March 2024, this training was conducted under the themes of "making compliance violations a personal responsibility," "safety of reporting contact points," "creating a workplace that enables good and healthy communication," and additionally touched on "harassment," "information security," and "antitrust law." We also regularly conduct workshops and training by job grade, etc.

Overseas education and training on compliance is effectively implemented in a wide range of regions worldwide through distribution of training videos in multiple languages and a focus on communication. From the fiscal year ended March 2019, governance training has been conducted for all Directors and Officers of Group companies in Japan, with senior management and outside attorneys serving as instructors, to help them to understand the duties and roles that managers must fulfill with respect to governance and compliance, and to foster awareness and acquire the means to fulfill them. From the fiscal year ended March 2022, we have also conducted overseas training with instructors that include both senior management and outside experts.

Furthermore, since the fiscal year ended March 2019, we have conducted annual surveys on the compliance awareness of all employees. We analyze the results of these surveys to help measure the effectiveness of various initiatives and promote them.

In-house Reporting System

We established an Internal Contact Office in December 2002 in Japan as a consultation service to handle reports and inquiries from employees of Mitsubishi Materials Corporation and its domestic Group companies. Since January 2020, we have contracted an external vendor to run the "Mitsubishi Materials Group Employee Hotline," as well as improving the response systems of domestic Group companies to ensure that we can appropriately respond to reports and inquiries and better respond to issues. We also established a contact office for Members of the Audit Committee in June 2018 to contribute to the work performed by members of the Audit Committee in promptly detecting incidents and initiating corrective measures. Contact information for these reporting systems is printed on cards for employees to keep on their person and made available on the company intranet and through each training activity.

On April 1, 2021, we established and began operation of the "MMC GROUP GLOBAL HOTLINE" a global in-house reporting system for the Mitsubishi Materials Group. This in-house reporting system can be used by employees in overseas Group companies and overseas sites (with some exceptions). Reports cover matters related to violations of competition laws, bribery and other corrupt practices, improper accounting or unfair transactions and fraudulent acts, and may be reported anonymously. Availability is made known to applicable overseas companies and sites and is introduced during overseas training.

Number of Reports and Inquiries to the Mitsubishi Materials Group Employee Hotline [FYE March]

2017	2018	2019	2020	2021	2022	2023	2024
38	42	61	58	54	47	65	63

Related Information:

Sustainability Report ▶ Strengthening Response to SCQ Issues
https://mmc.disclosure.site/en

Risk Management

In order to respond appropriately to the various risks surrounding our Group, minimize damage and loss and ensure stable operations in our business, we engage in risk management activities at all Group business sites globally and improve our risk sensitivity.

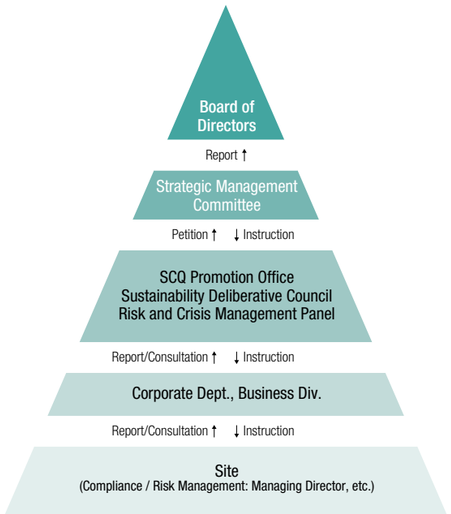
Risk Management Approach and Operation

Major risks are defined as those for the entire Group, those inherent to business operations (risks of having a material impact on the operation of the entire business), and those inherent to business sites (risks of having a material impact on the operation of business sites.) We define the role each level must play in addressing risks, such as planning, implementation, support, monitoring and review. Status of activities is monitored and reviewed semi-annually, the results of which are reported to the SCQ Promotion Office, Strategic Management Committee, Board of Directors, etc., and risk status is monitored and reviewed by management. In addition, we develop scenarios for specific Critical Risks to conduct quantitative and qualitative evaluations of impact and likelihood based on standardized evaluation criteria. This allows us to share concrete ideas of when risks emerge. Further details on these risks are indicated in the "Business and Other Risks" section of the Consolidated Financial Results.

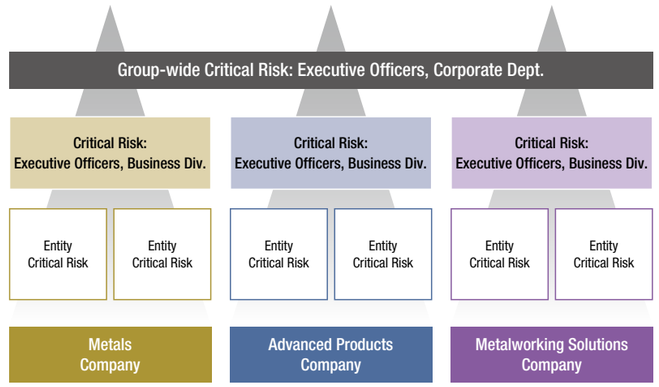
Related Information:

Corporate website ▶ Investor Relations
https://www.mmc.co.jp/corporate/en/ir/

Risk Management System



Critical Risk Positioning



Management of Critical Risk from the point of view of Executive Officers, Corporate, Business Div. and each site

Crisis Management

We are striving to strengthen our crisis management systems to facilitate prompt, accurate responses to emergency situations, including natural disasters, accidents, terrorist attacks and pandemics. Crisis management related rules are applied Group-wide and ensuring the safety of our employees and their families is our first priority under a crisis.

To ensure and continue business operations should such an event arise, we work to preserve company assets and maintain stakeholder trust through business continuity plans formulated for all consolidated subsidiaries globally.

To ensure that the system can respond to a crisis, it defines how to respond to each type of crisis and clarifies roles and responsibilities.

Related Information:

Sustainability Report ▶ Strengthening Response to SCQ Issues
https://mmc.disclosure.site/en

Respect for Human Rights

The Group conducts human rights due diligence and manages human rights risks under a Human Rights Policy that comprehensively covers our business activities.

Human Rights Initiatives

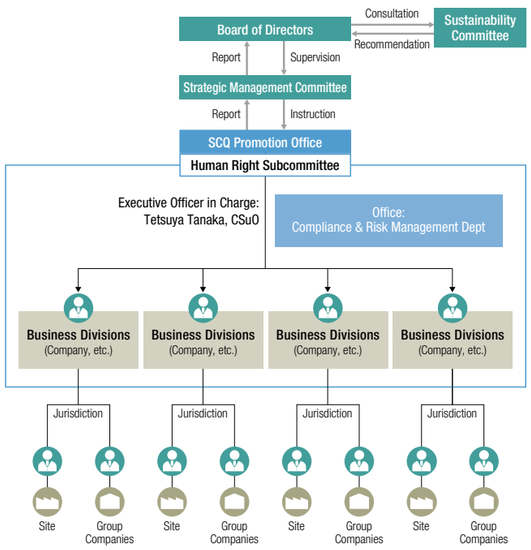
Since the fiscal year ended March 2023, we have worked on the following items in accordance with the United Nations Guiding Principles on Business and Human Rights in order to mitigate adverse impacts of our business activities on human rights.

- Dissemination of commitment to Human Rights Policy (HRDD)
- Implementing human rights due diligence
- Remedial measures (processes that enable remedial action for negative impact on human rights caused or promoted by businesses)

Governance System

We established the Human Rights Subcommittee under the Sustainable Management Office (now the SCQ Promotion Office) in July 2021. The committee is made up of employees in charge of human rights policy from corporate and business divisions. This promotes cooperation between corporate and business divisions to reflect field-specific expertise in Group efforts to respect human rights and ensures effectiveness. The committee regularly reports on its activities to the Company's Executive Officers and the Board of Directors through the SCQ Promotion Office.

Individual sites and Group companies are also incorporating and implementing initiatives to mitigate human rights risks into their annual sustainable management plans We also build mechanisms to make these initiatives more effective depending on their progress through the Human Rights Subcommittee.



Dissemination of Commitment to Human Rights Policy

In order to expand our business globally, the Group believes that it is essential to comply with the laws and regulations of each country, and also respect international human rights standards. In December 2021, we formulated our Human Rights Policy and our Procurement Policy in order to strengthen our human rights-related initiatives throughout the Group.

To raise awareness of these initiatives as well as human rights risks and issues faced by the Group, we provide human rights training for employees both in Japan and abroad.

Furthermore, we incorporate human rights initiatives and case studies into our Governance Training for Directors of Group companies both in Japan and abroad, as well as in compliance training for managers of Group companies outside Japan. We view training as an opportunity to cultivate global awareness of human rights, and understand our responsibility in this regard as a company.

Related Information:

Corporate website ▶ Human Rights Policy
https://www.mmc.co.jp/corporate/en/sustainability/humanrightspolicy.html

Overall Scope of Human Rights Due Diligence

Efforts to identify, prevent, mitigate and respond to human rights impacts are collectively referred to as human rights due diligence. We promote human rights due diligence as part of our efforts to respect human rights by assessing the adverse impact of our business on human rights, responding to the results of these assessments, following up on responses and disseminating information about these initiatives.

Our human rights due diligence takes a risk-based approach using a self-assessment questionnaire (SAQ). The SAQ is used to identify human rights risk and prioritize mitigation measures for areas deemed to be high risk.

We promote initiatives both within the Company and in Group companies inside and outside Japan, as well as in cooperation with business partners.

Implementation Scope of Human Rights Due Diligence

The Group	Business partners	Mines and local residents
SAQ assessment Formulation and implementation of improvement plans	Supplier assessment Follow-up	Questionnaire assessment Dialogue

Related Information:

Sustainability Report ▶ Enhancement of Human Capital
https://mmc.disclosure.site/en

Implementation of Human Rights Due Diligence for the Group

The Group began establishing a human rights due diligence system in the fiscal year ended March 2023. In the fiscal year ended March 2024, we distributed the SAQ to a total of 105 sites, including Company sites and Group companies, to identify human rights risks by analyzing SAQ responses.

Analysis revealed that there were several locations where harassment had occurred in the previous five years, and there was a lack of commitment to prohibiting discrimination in the hiring process, so we identified "harassment" and "discrimination in the hiring process" as human rights risks for the Group. To make further improvements, we are further strengthening awareness and educational activities regarding harassment prevention and promoting reforms in our organizational culture. We are also considering the creation and disclosure of policies to prohibit discrimination in the hiring process.

To continue our efforts in human rights due diligence in the future, we have formulated the Mitsubishi Materials Group SAQ Operation Manual, which contains the knowledge we have gained from past initiatives, covering everything from human rights risk assessment and identification to follow-up procedure and how to formulate and implement improvement plans.

Remedial Measures

We set up a reporting and consultation hotline for employees in Japan that also handles human rights-related subjects. The system allows anonymous reporting and consultation, and we have established a system that guarantees strict confidentiality, implementing remedial measures in accordance with the revised Whistleblower Protection Act (effective June 2022). In the fiscal year ended March 2024, we responded to consultations regarding harassment by properly identifying harassment and providing guidance to responsible parties. After responding to reports and consultations, we also followed-up on whether there had been retaliation on reporters or victims. Further, we implemented training to create an organizational structure that prevents harassment.

We set up a human rights hotline accessible to external stakeholders that allows anonymous consultation. We are considering the establishment and expansion of additional offices in the future.

Responsible Procurement

Throughout our value chain, the Group engages in fair, impartial trade and collaboration/coexistence with our business partners. From the perspectives of CSR procurement, we make efforts to engage in sound procurement focusing on anticorruption measures, legal and regulatory compliance, health and safety, environmental conservation, and respect for human rights.

We import copper concentrate, the main raw material in copper products, from overseas mines, so we carry out procurement activities that take into consideration the impact of mine development on the environment and local society. We attach great importance to dialogue with indigenous peoples and local communities, such as by participating in advisory committees of mines with interests of a certain scale. We also require overseas mines to comply with our standards and we make efforts to confirm their compliance status through periodic questionnaires.

We signed the United Nations Global Compact and registered as a participating company as of March 22, 2022. We believe we must fulfill our social responsibility as a company engaged in global procurement activities. With respect to the conflict minerals issues, we are strengthening our efforts from the wider perspective of the Responsible Minerals Initiative.

Related Information:

Sustainability Report ▶ Enhancement of Sustainable Supply Chain Management
https://mmc.disclosure.site/en

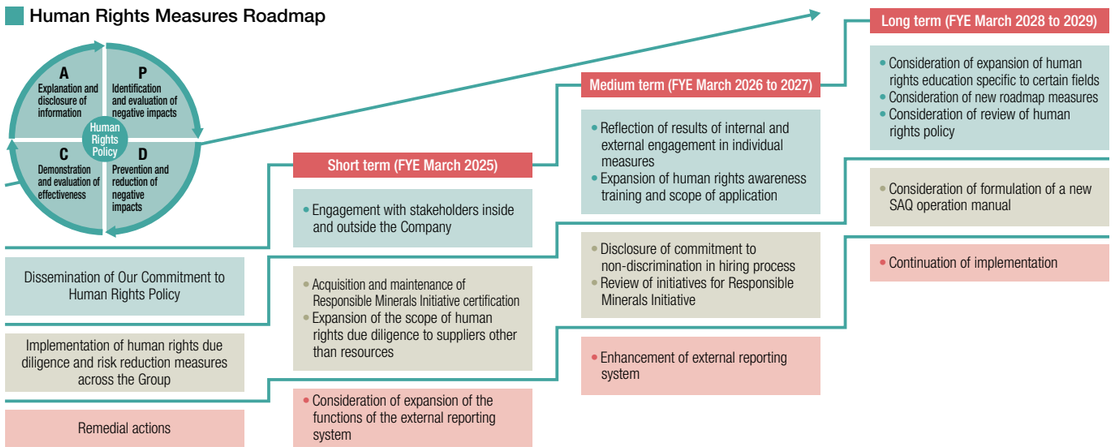
Human Rights Roadmap

Based on the results of SAQ analysis conducted in the fiscal years ended March 2023 and 2024, we have formulated a roadmap for human rights initiatives of the five years from the fiscal year ending March 2025 to the fiscal year ending March 2029.

We will continue to implement human rights due diligence efforts while identifying issues and risks, and implementing improvement measures for human rights across the Group.

Our roadmap and its main measures are as follows.

Human Rights Measures Roadmap



Environment Protection Technologies, Biodiversity and Forests

The Group is committed to protecting the environment and to pursuing effective use and recycling of resources based on our Environmental Policy, and seeks to prevent pollution in the vicinity of our business operations and to develop various activities as part of our efforts to create a decarbonized society.

Environmental Policy

This Environmental Policy of the Mitsubishi Materials Group was established based on the Sustainability Policy and is considered to be the foundation for the business activities of the Mitsubishi Materials Group.

1. **Promote recycling and provide environmentally friendly products**
2. **Advance decarbonization**
3. **Consideration of Biodiversity**
4. **Effectively use and conserve water resources**
5. **Sustainably manage company-owned forests**
6. **Encourage environmental education and harmonious coexistence with society**

Related Information:

Corporate website ▶ Sustainability
https://www.mmc.co.jp/corporate/en/sustainability/

Environmental Management Activities

The various business sites of the Group operate an environmental management system such as ISO14001 to ensure legal compliance and promote continuous activities for improving environmental performance. In order to ensure that the managers that promote these activities have the required knowledge on environmental technologies and laws and regulations, we developed and adopted an environmental education program and a legal check system required for daily management.

Compliance with Environmental Laws and Regulations

Information on revisions to laws applicable to the Group is disseminated throughout the Company, and briefing sessions are held for revisions that require large-scale adjustment or changes to facilities in order to ensure all business sites can respond reliably. Furthermore, each business site and the Internal Audit Department confirm compliance with environmental laws and regulations.
Regarding the status of compliance with environmental laws and regulations in the fiscal year ended March 2024, there were no adverse dispositions (permit revocations, operation suspension orders, facility suspension orders, fines, etc.) by regulatory authorities.

Management of Closed Mines

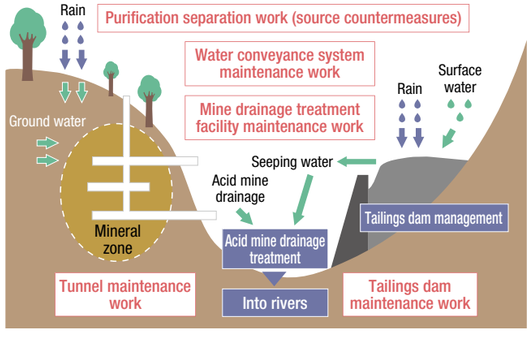
All nonferrous metal (copper, lead, zinc, etc.) mines owned by the Group in Japan have been suspended or closed.

In accordance with the Mine Safety Act, we spend roughly ¥4 billion per year on acid mine drainage treatment and tailings dam maintenance at 20 closed mines.

At closed mines, the rainwater and groundwater permeate into the underground tunnels and mining cavities in the mineral zones that were created by past mining operations, and acidic mine water is generated by contact with oxidized ore. In addition, seepage water is generated when rainwater or surface water comes into contact with slag, which contains heavy metals, at collection sites. These are neutralized at treatment plants with heavy metals removed to meet effluent standards before being discharged into rivers. Furthermore, we manage tailings dams, conduct maintenance of old underground mine workings (mining levels, drifts and drainage tunnels), and implement safety measures at disused pit mouths and subsidence sites.

Since 2015, our Group has been implementing responses to instability caused by natural disasters and other risks by conducting protective guards against contamination and other threats, increasing the capacity of mine drainage treatment facilities and updating aging equipment and reinforcing tailings dams in preparation for large-scale earthquakes. The costs of such construction are accounted for as a provision within environmental measures, and we do not believe there will be any additional large expenditures for the time being.

Acid Mine Drainage Treatment and Countermeasure Work for Closed Mines



Acid mine drainage treatment (Yatani Mine)

Water tank (Osarizawa Mine)

Biodiversity Conservation Initiatives

Regarding biodiversity conservation issues, the 2019 IPBES*1 Global Assessment Report indicated the factors causing global degradation and changes to the natural environment have accelerated over the past 50 years. Globally, following the adoption of the Kunming-Montreal Global Biodiversity Framework at the Conference of the Parties to the Convention on Biological Diversity (COP15) in 2022, companies are also being called upon to engage in socio-economic activities aimed at achieving nature positivity, which would halt and reverse nature loss by 2030.

Article 5 of our Code of Conduct states, "We will be more considerate of biodiversity and work to live in harmony with nature," and in our Environmental Policy we state, "We engage in business activities that take ecosystems into account throughout our value chain, including the development of natural resources."

Based on the TNFD*2 recommendations announced in September 2023, the Group conducted a trial analysis based on the LEAP approach*3 at three locations in the fiscal year ended March 2024 in order to properly analyze the dependencies, impacts, risks and opportunities as they relate to biodiversity and our business. Taking these results into consideration, we are compiling details for specific responses and disclosure moving forward.

In addition, in the supply chain, we are procuring raw materials from mines overseas where the impact on biodiversity is of particular concern. Among these, the copper mines in which we have invested play a crucial role as important procurement sources. In each case, a thorough environmental impact assessment is conducted before the start of mining projects, with ongoing environmental monitoring even after the project begins. At copper mines where development projects are underway, we are conducting foundational surveys to assess environmental impact and collecting data to support biodiversity conservation efforts.

*1 IPBES: Intergovernmental science-policy Platform on Biodiversity and Ecosystem Services
*2 TNFD: Task Force on Nature-related Financial Disclosures
*3 LEAP approach: TNFD recommended disclosure process, acronym meaning locate, evaluate, assess and prepare

Contributing to the Prevention of Global Warming through Company-owned Forests

We own about 13,000 ha of forest across Japan and practice forest management and control in consideration of the habitats of animals and plants living there. We also carry out wildlife monitoring and include rare species confirmed to be living in the areas on our red list. In addition, our eight forests in Hokkaido have obtained certifications for sustainable forest management with consideration for biodiversity.

One of the important ecosystem services of forests is CO_2 fixation. As one of the largest owners of forestland in Japan we dedicate ourselves to the steady promotion of appropriate forest maintenance, and do our level best to enhance their CO_2 fixation capabilities. Currently, our forests fix 44,000 tons of CO_2 annually, contributing to the prevention of global warming.

"Nationally Certified Sustainably Managed Natural Sites" Certification

Our Materials' Forest Teine Forest is certified as a "Nationally Certified Sustainably Managed Natural Site."

A "Nationally Certified Sustainably Managed Natural Site" is a location where conservation of biodiversity is sought through efforts of the private sector and other initiatives. Certified areas, excluding any overlap with protected areas, are registered in the international database as "OECM*4."

We have promoted a variety of activities related to biodiversity conservation, including participation in the "30 by 30 Alliance for Biodiversity" led by the Ministry of the Environment, and providing information on Teine Forest for the "Certification Demonstration Project" that supports the establishment of a system for certifying areas as "Nationally Certified Sustainably Managed Natural Site."

*4 OECM : Other Effective area-based Conservation Measures; areas that contribute to biodiversity conservation other than officially protected areas, such as corporate forests.

自然共生サイト認定 30by30

A juvenile tree of the endangered Acer miyabei Maxim

Our Materials' Forest Teine Forest (Sapporo, Hokkaido)

Related Information:

Sustainability Report ▶ Strengthening Measures to Address Global Environmental Issues
https://mmc.disclosure.site/en