May 2026
Mitsubishi Materials Corporation

Annual Report on Responsible Mineral Sourcing (Copper)

The following is a report on the status of the Company's initiatives for responsible mineral sourcing in procuring copper raw materials during the year from April 2025 to March 2026.

1. Overview of the copper raw materials supply chain due diligence process management system (hereinafter "Management System")

   Mitsubishi Materials Corporation (hereinafter “the Company”) implements risk management on its supply chains by conducting a five-step due diligence process as defined in Annex I of "OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas" (hereinafter “OECD Guidance”), on which the Company’s Responsible Minerals Sourcing Policy for Copper and Lead (hereinafter “the Policy;” see the Company’s website (https://ir.mmc.co.jp/en/sustainability/social/supply_chain.html#supply_chain_011) is based for supply chains related to the sourcing of copper raw materials for electrolytic copper cathode that is manufactured at the Naoshima Smelter & Refinery and registered as the “MITSUBISHI” brand with the London Metal Exchange (hereinafter “LME”).

2. Persons responsible for the effectiveness of the Management System

   The following are the persons responsible for the Management System in accordance with the Company's Manual on Responsible Mineral Sourcing (copper) (hereinafter “the Manual”).

   ○ Supply Chain Officer: Managing Executive Officer Responsible for Materials Area

   The Supply Chain Officer has at least five years of experience in responsible mineral sourcing and has the following major responsibilities and authorities:

   [1] Periodically verify the effectiveness and results of the Management System for responsible mineral sourcing
   [2] Take measures necessary for the improvement of the Management System for responsible mineral sourcing
   [3] Develop policy on responsible mineral sourcing
   [4] Establish and revise the Manual
   [5] Provide the means necessary for the supervision and execution of duties to the Compliance Officer
   [6] Give approval for supply chains for which risks have been identified, and make decisions on whether to continue transactions

   ○ Compliance Officer: General Manager, Sustainability Dept., Strategy Div.

The Compliance Officer has the following major responsibilities and authorities:

[1] Assist the Supply Chain Officer in establishing, implementing, and maintaining the Management System for responsible mineral sourcing
[2] Give instructions to the Raw Materials Purchasing Officer based on the results of responsible mineral sourcing
[3] Plan and implement education and training on responsible mineral sourcing
[4] Internal and external communication on responsible mineral sourcing
[5] Assist the Supply Chain Officer in assessing whether responsible mineral sourcing is implemented properly
[6] Implement appropriate measures for supply chains for which risks have been identified
[7] Report to the Supply Chain Officer on responsible mineral sourcing

○ Raw Materials Purchasing Officer: General Manager, Raw Materials Dept., Metals Div., and General Manager, Recycling Materials Dept., Metals Div.

The Raw Materials Purchasing Officer has the following major responsibilities and authorities:

[1] Purchase raw materials in accordance with the Manual
[2] Report to the Compliance Officer on new transactions in which red flags have been identified or projects in which potential risks have been identified

○ Smelter & Refinery Raw Materials Manager: Manager, Sales & Supply Sect., Administration Dept., Naoshima Smelter & Refinery, Metals Div.

The Smelter & Refinery Raw Materials Manager has the following major responsibilities and authorities:

[1] Check documents related to received raw materials and actual raw materials
[2] Prepare and retain records on received raw materials

3. Assessment of the effectiveness of the Management System and its results

The effectiveness of the Management System has been assessed based on the Manual.

・ Summary of assessment

Scope of assessment: Suppliers of copper raw materials
Period of assessment: From April 2025 to March 2026
Assessment method: The Copper Mark's Joint Due Diligence Tool (hereinafter "JDD Tool")
Timing of implementation: May 2026

・ Results of effectiveness assessment

The Management System was working effectively and no problems were found.

・ Improvement of the Management System

There were no matters to be improved because no problems were found with the Management System. In the future, necessary measures will be taken to improve the Management System in accordance with the Manual.

・ Achievements of the Management System

[1] Supply chain due diligence

The Company has developed the Policy and published it on its website, while sending the Company's Policy and KYC (questionnaires) on copper raw materials to all suppliers of copper raw materials to ask for their understanding of, and agreement to, the Policy. The Policy was established in 2023 to inform all suppliers of the Company's stance on responsible mineral sourcing and potential risks in supply chains.

If a supplier does not agree to the Company's Policy, the Compliance Officer requests that they give notification to that effect. If a supplier has its own policy that is consistent with the OECD Guidance and implements supply chain management in accordance with that policy, the supplier is requested to disclose the policy and verify its consistency with the OECD Guidance. If a supplier does not agree to the Company's Policy or its equivalent, the Company will review the reasons therefor and, if necessary, consider implementing risk assessment.

During the period of assessment, several suppliers indicated that they did not agree to the Company's Policy. It was confirmed, however, that those suppliers had policies consistent with the OECD Guidance and were implementing supply chain management in accordance with those policies. Therefore, the Company concluded that there was no problem with those suppliers. In addition, if any questions were raised about a supplier's due diligence, the Company would have taken specific actions to investigate, such as additional questionnaires, but there were no such suppliers during the period under assessment.

[2] Education and training

From February 2026 to May2026, all staff involved in supply chains for copper raw materials received education and training on the OECD Guidance, the requirements for LME Responsible Sourcing, The Copper Mark's Joint Due Diligence Standard for Copper, Lead, Nickel and Zinc, the Company's CAHRAs list, and other matters deemed necessary for responsible mineral sourcing. There were 59 trainees and the participation rate was 100% (excluding one employee on maternity leave). In addition, Onahama Smelter & Refinery of Onahama Smelting and Refining Co., Ltd. received the same education and training to contribute to education and training within the company (there were 4 participants from the company).

[3] Management review

The Compliance Officer has the authorities and responsibilities set forth in internal regulations, including the supervision of relevant departments and the operation of the Management System. The Compliance Officer supervises the Management System as a whole, conducts periodic management reviews, and reports the results of these activities to the Supply Chain Officer as necessary.

The following matters were reported to the Supply Chain Officer for the period of assessment.

- Information on high-risk supply chains
- If applying risk mitigation strategies, the status of implementation of such strategies with business partners
- The progress and effects of improvement plans

Based on the Red Flag Review, a red flag was not raised for transactions with the copper raw material (copper concentrate) suppliers, which means responsible sourcing was implemented appropriately during the period under assessment. This was reported to the Supply Chain Officer.

[4] Communication / reporting desk

In addition to existing company-wide communication mechanisms, the Company has established the Responsible Minerals Control Hotline on its website so that internal and external stakeholders, including employees, can anonymously report any concerns related to the Company's responsible sourcing of copper raw materials to Sustainability Dept., Strategy Div. The Responsible Minerals Control Hotline is available publicly on the Company's website both in Japanese (https://www.mmc.co.jp/form/corporate/ja/inquiry/eiti_sslform.html) and in English (https://www.mmc.co.jp/form/corporate/en/inquiry/eiti_sslform.html). The Compliance Officer performs risk assessment based on the information provided and reports the results to the Supply Chain Officer. Legal & Compliance Department, Compliance & Risk Management Division, Sustainability & SCQ Promotion Div., which is not directly involved in the procurement of raw materials, handles reports with sincerity and respect so as to prevent interference by related parties.

During the period under assessment, the Responsible Minerals Control Hotline did not receive any reports regarding the supply chain for copper raw materials.

[5] Storage of records

All information (documents and records) related to the responsible sourcing of copper raw materials are stored for at least five years in accordance with the Manual. The information shall be stored in an electronic format.

4. The resources and resource handling required to implement, maintain, and continuously improve the Management System

In accordance with the Manual, we took care of the resources and resource allocation required to implement, maintain, and continuously improve the Management System as below.

[1] Personnel

Required personnel:

In consultation with the Supply Chain Officer and other General Managers of departments deemed necessary, the Compliance Officer strengthened the organization accordingly.

[2] Budget

With regard to FY2025, the budget, assumed necessary in the budget planning, has been secured.

5. System to collect and retain information necessary for identifying red flags

We conducted a survey of supply chains for copper raw materials in accordance with the Manual to determine if there were any red flags in the supply chains.

The Company's head office division, specifically Raw Materials Dept. and Recycling Materials Dept. of Metals Div., is in charge of all operations related to the procurement of copper raw materials (copper concentrate and recycled materials) for the manufacturing of electrolytic copper cathodes at Naoshima Smelter & Refinery. Therefore, Naoshima Smelter & Refinery does not procure copper raw materials independently. In other words, the Company's head office division plays a key role in the due diligence, management and transparency of the copper supply chains.

The Compliance Officer appointed by the Supply Chain Officer has the authorities and responsibilities set forth in internal regulations, including the supervision of relevant departments and the operation of the Management System.

Copper raw materials purchased by the head office division are supplied to Naoshima Smelter & Refinery, which checks the actual raw materials, analyzes the copper and other metals content in each lot, checks the consistency with the supplier's information provided in advance by the head office division, and reports the results to the head office division.

For the purpose of tracking and controlling copper at the head office division, the Company proactively uses the materials receipt monitoring system to prevent the mixing in of copper raw materials originating from conflict-affected and high-risk areas (CAHRAs). Due diligence involves checking the countries where copper mines are located and the countries that are located on the route of main-carriage transportation of produced copper concentrate to the Naoshima Smelter & Refinery, in addition to identifying major suppliers (copper mines).

During the period of assessment, there were no issues related to supplier identification, country of origin, or traceability.

For the CAHRAs list for the relevant period, the Company’s criteria have been established based on the following standards and are revised accordingly.

[1] The DRC and nine neighboring countries under the Dodd-Frank Act
[2] Jurisdictions with Intensity Level 5 or higher under the Heidelberg Conflict Barometer
[3] High-Risk Jurisdictions subject to a Call for Action as designated by the FATF (Financial Action Task Force on Money Laundering)
[4] Jurisdictions suspected to be at high risk based on industry information from Raw Material departments (JOGMEC, etc.)
[5] Jurisdictions subject to regulations by the Office of Foreign Asset Control (OFAC) of the U.S. Ministry of Finance
[6] The bottom 10 countries in the Cato Institute's Human Freedom Index
[7] Jurisdictions where copper production involves child labor and/or forced labor in the List of Products Produced by Child Labor or Forced Labor by the Bureau of International Labor Affairs of the U.S. Department of Labor

6. Due diligence process with collected information

(1) Definition of risks

The company considers procurement operations relating to followings as being high risk: human rights violations, terrorist financing, money-laundering, illegal trade, violations of legal requirements related to the environment and sustainability, and CAHRAs defined by the Company. If any of the following items apply, the supplier shall be regarded as high-risk.

(1) Location risks

- Raw materials originating in or transported through conflict-affected and high-risk areas (CAHRAs)

- Raw materials reasonably suspected to be derived from countries through which CAHRA-produced copper is known to pass
- Raw materials allegedly produced in countries where the known or expected production volume is limited

(2) Supplier risks
- The interests of shareholders, the UBO, or other parties meet the high-risk location criteria
- Organizations engaged in high-risk business activities, including arms, the casino industry, and religion, and the leaders thereof
- Companies that are found to have procured copper raw materials from high-risk countries in the past 12 months
- Significant discrepancies or inconsistencies in documents provided, or refusal to submit documents requested by the Company

(3) Raw material risks
- Copper concentrate produced from Artisanal small-scale mines
- That public records or due diligence have revealed that it would cause, for example, significant damage or extremely dangerous ESG elements

The Company's zero-tolerance supply chains are as follows:
- Copper raw materials procured in violation of international sanctions
- Copper raw materials supplied by suppliers whose primary suppliers or their known upstream companies have a UBO who is known to be a money launderer, fraudster, or terrorist
- Copper raw materials involved in serious human rights violations or direct or indirect support for non-governmental armed groups that are risks listed in ANNEX II of the OECD Guidance

If high-risk raw materials are to be purchased, we conduct enhanced due diligence, including on-site assessment. If a zero-tolerance problem is identified, then the Company must not enter into the business relationship, and the existing relationship must be terminated immediately.

(2) Identification of risks

The Company conducts due diligence on all suppliers related to copper concentrate and intermediate materials, and conducts a Red Flag Review of supply chains. Supply chain risk assessment adopts a risk-based approach. With new suppliers, supply chain risk assessment is conducted before beginning a transaction. Supply chain risk assessment is also conducted annually to determine whether to continue transactions. The Company may discontinue purchase transactions if, as a result of risk assessment, the Compliance Officer determines that there is a significant risk.

Specifically, the Company uses KYC and JDD Tool to identify supply chain risks based on the following information:

1) Location risks
- Identification of the place of origin
- Whether the route of transportation from the place of departure falls under CAHRAs
- Whether the procurement from the country of origin is subject to international sanctions

2) Supplier risks (primary suppliers)

- Use information provided by Dow Jones and other trusted third parties to confirm the profile of suppliers and their directors and UBO, and confirm that they have no crime history and are not subject to international sanctions

3) Raw material risks

(1) Mined materials (copper concentrate)

- Mine profiles
- The statutory license required for operating the mine (if applicable)
- The size of the mine (large-scale mines or artisanal small-scale mines)
- Production items
- Production items to be delivered to the Company
- The place of origin of concentrate stocks received from outside at mining sites and their ancillary facilities, and control information for proper management

(2) Intermediate materials (copper electrolytic slime)

- Supplier profiles
- Detailed information on the operations of the suppliers
- The status of risks related to the procurement of inputted mined materials from CAHRAs

(3) Recycled materials (e-scrap and copper scrap)

- Supplier profiles
- Types and forms of copper raw materials procured by the suppliers
- The status of smelting, refining, and melting of delivered products

The Raw Materials Purchasing Officer, who is in charge of purchasing raw materials, verifies the consistency between information on the shipment of the raw materials (estimated shipping weight, moisture content, the shipping country, transit locations, etc.) obtained from the suppliers or carriers and KYC information on the suppliers (mining capacity and country of origin). If there are any inconsistencies, the Raw Materials Purchasing Officer confirms them with the supplier as soon as possible and, if there are no mistakes on the supplier's part, requests that the shipment information be corrected. The Smelter & Refinery Raw Materials Manager confirms that the received lots of raw materials are consistent with the information received in advance from the head office division in the following items.

- Estimated weight and analysis values, including estimated metals content
- Information on the brand names of the concentrate, the names of sellers, etc.
- Shipping documents
- That the production volume of copper concentrate in its country of origin is reasonably larger than the volume purchased by the Company

The Smelter & Refinery Raw Materials Manager records smelted raw materials for each lot of copper cathodes produced in order to ensure traceability.

7. Results of the Red Flag Review

The Red Flag Review was conducted in accordance with the Manual for the copper raw materials received during the period under assessment. As described above, no red flags were raised during the period, which means responsible sourcing was implemented appropriately.

8. Risk assessment

If a red flag is identified as a result of the Red Flag Review, it is reported to the Supply Chain Officer, and the risk assessment is conducted. In the risk assessment, the Company contacts suppliers directly, uses third-party information to confirm that there are no gaps in the data, and carries out on-site inspection as necessary.

Since no red flags were identified as a result of the Red Flag Review, we concluded that risk assessment was not required for the Company's supply chains for the period of assessment.

<End of the report>