

Compliance

Compliance management system

Mitsui Kinzoku Group ensures that all executives and employees are fully aware of compliance. The General Manager of the Corporate Planning Department is responsible for group-wide compliance and the Legal Department takes initiative in enforcing it.

The situation on compliance is monitored as part of audits by the Internal Audit Department under the Internal Audit Committee which is directly controlled by the Board of Directors. The Internal Audit Department shares the audit results with the board members.

Code of Conduct

Mitsui Kinzoku Group considers compliance as not only being compliant with the rules and regulations, but also being compliant with social norms, corporate ethics, common sense, and morals that may not necessarily have defined codes but expected by society.

The Code of Conduct defines the common values that are shared by all executives and employees. The Code is available in local languages and distributed to all sites. The Legal Department has compiled the "Compliance Guidebook" which explains main points in practicing the Code. The guidebook is translated into local languages in corporation with local staff members and distributed to overseas sites.

Compliance trainings

Our compliance programs are included in new employees training, regular rank-based trainings and trainings for newly appointed directors and auditors for affiliate companies. We also hold compliance trainings with local lawyers at overseas sites. In addition, we conduct seminars specialized for specific topics. In FY2019, we held a compliance seminar at one site in Vietnam. In Japan, seminars on information management and "Act Concerning Special Measures for Correcting Practices Impeding Consumption Tax Pass-on, etc." were held at each site.

Mitsui Kinzoku Hotline

Mitsui Kinzoku Group sets a whistle-blower system for internal stakeholders and a consultation desk for external stakeholders. All stakeholders can report compliance violations such as anti-competitive practices, corruption/bribery, human rights abuse, and negative impacts on the environment. We secure the anonymity of whistleblowers and they are protected from unfair treatment.

All executives and employees can report a concern either to the company's office or to the external law firm through Mitsui Kinzoku Hotline (MHL). MHL is widely disseminated among them through compliance trainings and the Compliance Guidebook. We also set a whistleblowing system for our affiliated companies. The system is consigned to a law firm in China and is available in Chinese. For external stakeholders including suppliers, we set up the Compliance Consultation Desk on our website.

Reported issues are regularly passed on to Corporate Auditors, with the anonymity of the reporter ensured, and comprehensively reported to the Board of Directors.

Prevent anti-competitive practices and corruption/bribery

Article 4 of the Code of Conduct stipulates "Fair Business Activities." The Compliance Guidebook specifies fair business activities and requires all executives and employees to implement them: the establishment and implementation of a system that ensures compliance with the Antimonopoly Act, appropriate procurement, maintaining fair and transparent relationships, and prohibition of bribery and corruption.

In FY2019, there were no reports of punitive legal action taken against Mitsui Kinzoku with respect to anti-competitive practices and bribery.

Respect for Human Rights

The human rights policy and the human rights standards

Mitsui Kinzoku Group approaches human rights issues based on our Human Rights Policy. In July 2019, we defined our "Human Rights Standards" as our approach to major risks and prioritized stakeholders who could potentially be affected in our businesses. This Human Rights Standard serves as a code for our human rights due diligence. We will further strengthen our efforts to address human rights issues by establishing detailed regulations on the Standards.

[Human Rights Policy] [Human Rights Standards]

<https://www.mitsui-kinzoku.com/en/csr/society/humanrights/>

Addressing human rights

Mitsui Kinzoku Group is implementing due diligence based on the Human Rights Standard by giving priority to human rights risks in our businesses and supply chain, as well as to the mining-specific human rights risks. Please see the following pages for more details.

[Supply chain management] Page 48-49

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Human rights due diligence

In FY2019 we conducted the human rights due diligence using a self-check sheet (SAQ) regarding all employees, including non-regular employees and indirect employees at three sites among the major sites in Japan and at three sites overseas. We assessed SAQ results and conducted on-site surveys and hearings.

As a result, we did not find any major risks, including any forced labor or child labor risks. For areas that were found to require improvements, we provided feedback and implemented corrective measures. The due diligence will be newly performed at sites of the consolidated domestic subsidiaries and major sites within Asia during FY2020.

<Main areas that were improved>

- Lecture on labor management for employees promoted to management positions (at overseas sites)

Human rights training

We are conducting human rights training to increase awareness of our Group's Human Rights Policy and promote the correct understanding of human rights. In FY2019, we conducted training within Japan in the rank-based training. We also conducted human rights training for employees at one affiliated company. With regards to overseas sites, we conducted human rights training and gave explanations on the human rights due diligence toward employees including the persons responsible for human resources at two sites in Indonesia and one site in Malaysia. In FY2020, we will conduct further educational training at major sites within Asia.

Labor relations

Mitsui Kinzoku Group respects freedom of association and collective bargaining. Mitsui Kinzoku and major affiliates in Japan have a respective labor unions under the Mitsui Mining & Smelting Workers Union. Based on the union shop agreement, all general employees become members of the labor unions. About half of the other consolidated affiliates in Japan have labor unions.

Among global consolidated affiliates, 12 affiliates have labor unions. A labor-management council and a labor-management round-table conference are regularly held to communicate with workers. In FY2019, no strikes or lockouts lasting more than a week occurred in Mitsui Kinzoku Group.

	Sites in Japan	Overseas	Total
Employees covered by collective bargaining agreements	4,161	3,655	7,816
Total employees	6,317	7,439	13,756
Coverage rate	66%	49%	57%

※ Information on labor unions at several sites is unavailable due to legal requirements.