

# Compliance

## Compliance management system

Mitsui Kinzoku Group identifies Senior General Manager of Corporate Planning & Control Sector as the person with the highest responsibility for compliance. The Legal Dept., the division in charge of compliance, plays a central role in enhancing compliance among officers and employees.

In addition, under the Internal Audit Committee, which reports directly to the Board of Directors, the Internal Audit Dept. audits the status of compliance. The results of the audits are reported by the Internal Audit Dept. to and shared by the Board of Directors.

## Code of Conduct

We understand that compliance is not limited to observing laws and regulations, but also includes observing social norms, corporate ethics, common sense and morals, and other matters expected by society even if they are not explicitly stated.

We have established the Code of Conduct as a set of values and a code of conduct to be shared by all directors and employees, including those at overseas sites. We have translated it into local languages and distributed it to all sites. The Compliance Guidebook, which explains the key actions, has been translated into local languages in cooperation with local staff to reflect the unique risks assumed from local business practices and cultural backgrounds. We are gradually rolling it out to overseas sites. In FY2020, we produced the Compliance Guidebook in Malay and English together with local staff at MITSUI COPPER FOIL (MALAYSIA) SDN. BHD. (MCF), and they held a briefing session for MCF's employees to deploy the guidebook.

## Compliance trainings

We provide compliance programs for rank-based training including new employee training, as well as executive management training for newly appointed directors of affiliated companies. We also conduct compliance trainings for local staff at overseas sites. We conduct compliance-related seminars specialized for specific topics as needed. Although in FY2020, we had to postpone our original plan in overseas due to COVID-19, in Japan, we conducted online trainings.

## Internal and external whistle-blowing system

We have established a whistle-blowing system for both internal and external stakeholders. The system covers concerns about any violations of laws and regulations, including but not limited to unfair competition and bribery/corruption, as well as social and environmental risks, including but not limited to human rights, in business activities and the workplace.

In order to thoroughly protect the whistleblower, the system ensures anonymity and strictly prohibits any disadvantageous treatment of the whistleblower. The details of the reports made via the whistleblowing system are shared promptly with the Corporate Auditors. The Board of Directors also receives the details of reports on a regular basis.

We have Mitsui Kinzoku Hotline (MHL) for all officers and employees of the Group as an internal contact point and a third-party contact point (a law firm). We also have a Chinese-language hotline for our sites in China as a contact point at a Chinese law firm. We widely disseminate the contact points among officers and employees through compliance trainings and the Compliance Guidebook. In FY2020, we have made the whistle-blowing system a multi-line system. In the event of critical issues, the chairperson of the Internal Audit Committee will decide to establish an internal investigation committee independent of management.

We have set up "Compliance Consultation Desk" specialized for compliance and "Environmental and Social Risks Consultation Desk" on our official website for external stakeholders to report concerns at any time.

## Initiatives to prevent anti-competitive practices and bribery/corruption

Article 4 of the Group's Code of Conduct states "Fair Business Activities." In the Compliance Guidebook, we require all officers and employees to engage in appropriate activities based on free and fair competition. The guidebook specifically states that proper activities include (i) establishment of compliance system and thorough compliance with competition law, (ii) proper procurement activities and subcontracting transactions, (iii) maintenance of fair and transparent relationships, and (iv) prohibition of bribery and corruption. We have not received any legal action for anti-competitive practices or bribery/corruption in FY2020.

# 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. We identify major human rights risks and stakeholders that can be particularly affected by the Group's business activities. We formulate the "Human Rights Standards" as guidelines for our due diligence. We conduct due diligence in order to evaluate the practices of the standards and to correct findings. In our due diligence process, we especially focus on the Group's employees, supply chain and mining business that have been identified as high risk.

[Human Rights Policy] [Human Rights Standards]  
<https://www.mitsui-kinzoku.com/en/csr/society/humanrights/>

[Supply chain management] Pages 54-55  
 [Mining business] Pages 56-57

## Human rights due diligence

Since we identified target sites in the Mitsui Kinzoku Group in FY2016, we have been conducting human rights due diligence and we have completed the process at 54% of the target sites within and outside Japan by FY2020.

In FY2020, we conducted human rights due diligence at eight sites including one overseas site. 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.

In FY2021, we will continue to conduct human rights due diligence at sites within and outside Japan. Based on the past results, we will also reevaluate risks and identify human rights issues the Group should start addressing. For the newly identified issues, we will develop individual policies and procedures to build systems to address them properly. When conducting human rights due diligence, we use a self-check sheet (SAQ) with regard to all employees, including non-regular employees and indirect employees. The SAQ will be revised, taking account of these human rights issues, to ensure the effectiveness of the measures for human rights.

## <Main areas that were improved>

- Improvement in the labor-management agreement on payroll deductions (Japanese sites)
- Improvement in the ways to track and manage working hours of managers (Japanese 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 FY2020, we conducted training within Japan in the rank-based training. Due to COVID-19, we had to postpone the training at overseas sites. In FY2021, we plan to provide the program at major Asian sites. We will systematically review the formats and content of our human rights training.

## 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 70% of the other consolidated affiliates in Japan have labor unions.

In FY2020, there was one case of a strike lasting more than a week at an operation site in Peru, which was resolved through labor-management consultation. No lockouts occurred during the year.

	Sites in Japan	Overseas	Total
Employees covered by collective bargaining agreements	4,215	3,276	7,491
Total employees	6,402	6,587	12,989
Coverage rate	66%	50%	58%

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