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**CSR REPORT 2018**  
**MITSUI KINZOKU**

Although it is difficult to contribute to all of the Sustainable Development Goals (SDGs), the business processes of Mitsui Kinzoku do involve many of them. We excavate the natural resources of Mother Earth to refine them and make them into materials useful for industry and daily life. We then add value to them through the application of creative ideas and continuous efforts to improve our techniques. In the process of producing something useful, the generation of waste and emissions is unavoidable. Throughout our company's history, our efforts have always been focused on properly controlling the balance of what benefits and what adversely affects society. This is why we can comfortably accept the principle that "no one will be left behind."



## About this report

Mitsui Kinzoku Group publishes a CSR Report every year to give stakeholders a better understanding of our approach and activities related to our corporate social responsibility (CSR), for creating a sustainable society.

This report mainly explains the progress of materiality issues in our CSR activities in the previous fiscal year.

### [Publication]

July 2018

(Previous publication: July 2017, Next scheduled: July 2019)

### [Coverage]

This report focuses on figures for fiscal 2017 (April 2017 – March 2018). It also contains details of initiatives prior to that period, and initiatives that are underway for fiscal 2018 and beyond.

### [Scope]

This report covers Mitsui Kinzoku (non-consolidated), as well as consolidated domestic/overseas affiliates. We started gathering data related to CSR for Mitsui Kinzoku Group in fiscal 2016, including areas such as the environment and personnel. Figures whose accuracy cannot be verified sufficiently have been omitted from this year's report. Notes are included to indicate the scope of individual sets of data.

### [Reference guidelines]

This report has been compiled with reference to ISO 26000 and the Environmental Reporting Guidelines (Ministry of the Environment, 2012 version).

Basic policies, promotion systems, major indicators and specific measures are stated according to the disclosure requirements of the GRI Standards.

We will continue the publication of the CSR Report, in addition to CSR activities, with the aim of disclosing as much information in this report as possible to facilitate further dialogue with all of our stakeholders.

### [Disclaimer]

• In addition to facts about Mitsui Kinzoku Group past and present, this report contains decisions, plans and other forward-looking statements based on information available at the time of writing. Please bear in mind that social situations in the future, and the actual results of our business activities, may vary from the forward-looking statements contained herein.

• Figures in tables and graphs are rounded and may differ from total values.

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MITSUI KINZOKU

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Mitsui Kinzoku Group is featured by a variety of techniques and long experience mainly in the non-ferrous metal material field.

Our Corporate Slogan, "Material Intelligence" means the creation of products and solutions for solving environmental and social issues through effective use of our techniques/experience and the natural resources.

The year 2024 is the 150th anniversary of Mitsui Kinzoku. We have produced many original products from non-ferrous metals and have strived for stable supply. Our supply network has been expanded globally since the 1960s and 40 sites have been opened overseas.

In our long history, we experienced many challenges. Many business projects had to be withdrawn and we often had to streamline our workforce.

I recognize rising global necessity for the corporate responsibility. In addition, our severe experiences have made me acknowledged that I am responsible for driving Mitsui Kinzoku Group to the sustainable growth despite changes of economic conditions such as unstable market prices of non-ferrous metals or exchange rates.

The 150th anniversary is not our final goal. Mitsui Kinzoku Group pursues to create value for successful growth into the distant future.

I believe that accelerating our CSR effort and fulfilling corporate responsibility lead to the sustainable growth of Mitsui Kinzoku Group. Our corporate sustainability contributes to the sustainable future of all stakeholders of the Group.

We are formulating a new mid-term management plan beginning from FY 2019. The management plan will lead to the integration of CSR activities with management strategies with emphasis on sustainable growth of our Group and society, which will help achieve the worldwide goals such as the SDGs.

In the last fiscal year, we launched an internal project of "work style reform." Under this project, we have been discussing relevant issues in order to introduce innovative measures to create new value.

We would appreciate our stakeholders' continuous understanding and support.

## Evolving corporate sustainability leads to solving global environmental and social issues

President, Representative Director



Keiji Nishida <Profile>

1957 Born in Fukuoka  
1980 Joined Mitsui Kinzoku  
2008 Head of Finance Department  
2011 Director and Chief Financial Officer  
2014 Representative Director, Senior Managing Director  
2016 Representative Director, President



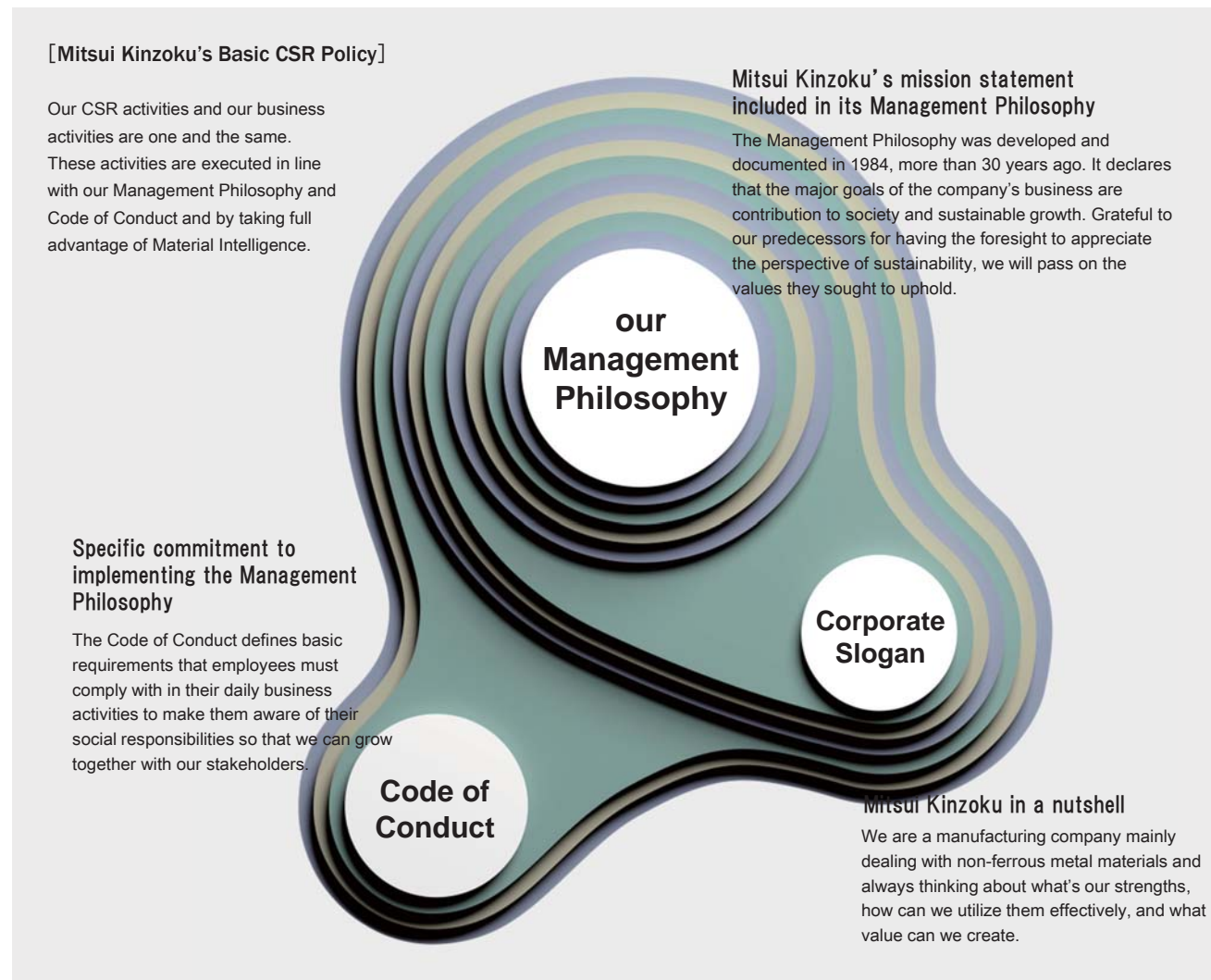
# Putting our Management Philosophy into practice

Our approach to CSR

The basic idea underpinning our concept of corporate social responsibility is to put our Management Philosophy into practice. Mitsui Kinzoku's Management Philosophy, which was developed more than 30 years ago, is aimed at allowing us to "explore products of value to society" and ensuring "the eternal growth of our group."

The concept of the Management Philosophy is in line with our aspiration for addressing social issues and contributing to building a sustainable society. The Corporate Slogan and the Code of Conduct serve as supplementary provisions of the Management Philosophy. In 2016, the Management Philosophy, the Corporate Slogan, and the Code of Conduct were integrated to form Mitsui Kinzoku's Basic CSR Policy.

Firmly guided by this Basic CSR Policy, the entire Group is committed to promoting CSR so that all executives and employees of Mitsui Kinzoku Group can exercise their responsibility toward stakeholders.



## 経営理念

Management Philosophy

創造と前進を旨とし

With creativity and productivity,

価値ある商品によって社会に貢献し

We, Mitsui Kinzoku Group, will explore products of value to society,

社業の永続的発展成長を期す

and seek an eternal growth of our group.

三井金属鉱業株式会社

【スローガン】

Corporate Slogan

マテリアルの知恵を活かす

Taking full advantage of Material Intelligence

## Code of Conduct

This Code of Conduct applies to all the directors, officers and employees of Mitsui Mining & Smelting Co., Ltd. (Mitsui Kinzoku) and its Group companies.

### 1. Our Social Mission

We shall contribute to society by providing valuable products.

### 2. Self-Awareness and Social Responsibility as a Member of our Corporate Group

We shall always be mindful of our role as a member of the Mitsui Kinzoku Group and act with dignity and responsibility, while positively conducting social action programs by facilitating communication with all stakeholders.

### 3. Compliance

We shall comply with domestic and international laws and regulations as well as our company's regulations, and shall act in accordance with the conscience of our society.

### 4. Fair Business Activities

We shall conduct appropriate business activities based on free and fair competition.

We shall also maintain healthy and transparent relationships with political parties and factions, the government, and business partners, while making sure not to get involved in corruption.

### 5. Rejection of Antisocial Forces

We shall resolutely confront antisocial forces and organizations and thoroughly prohibit all relationships with them.

### 6. Proactive Information Disclosure and Comprehensive Information Management

We shall proactively and fairly disclose corporate information and comprehensively protect and manage confidential information, including personal and customer information.

### 7. Contribution to the Natural Environment

We shall address environmental issues to help realize a sustainable society.

### 8. Provision of Comfortable Work Environment

We shall provide a safe and comfortable work environment that respects the human rights, personalities, and uniqueness of our employees, while providing a place where a diverse range of human resources can play an active role.

### 9. Demonstration of Leadership by Senior Management

Top management shall recognize that it is their responsibility to realize the spirit of this code, and act on their own responsibility while demonstrating leadership.

[Revision 3rd edition as of July 2016]

# Mitsui Kinzoku Group's CSR

For social sustainability and our own sustainable development growth

Mitsui Kinzoku Group aims to achieve its own sustainable growth and sustainable environmental, social, and economic growth in the world. The Group's CSR efforts represent an approach to achieving these goals.

In 2016, our group-wide CSR efforts started, under which we have identified our stakeholders and materiality (material issues) and strived to clarify the conditions and orientation of our CSR activities.

To achieve both corporate sustainability and environmental and social sustainability, our CSR activities should be evolved into the integration with management strategies. In order to draft a roadmap for the integration with management strategies, we conducted a materiality assessment in FY 2017. We have also set up a policy, commitments (targets) and annual plans for each material issue. In addition, the group-wide CSR management system has been established. Ultimately, we expect the achievement of our corporate value creation process and global sustainability, which are outlined in the Group's vision of CSR.

## § 1 Stakeholders

As a result of globalization, corporate activities today have been increasing economic, environmental, and societal impacts beyond national borders. Mitsui Kinzoku Group is no exception to this trend, having likewise expanded its business activities throughout Japan and various regions around the world. Accordingly, we understand that the Group's business and decisions now have wider-ranging effects than ever before.

Mitsui Kinzoku Group considers the organizations, individuals, and natural environments that are affected by our business and decisions to be our "stakeholders" with respect to economic, environmental, and social impacts (the triple bottom line). We recognize that achieving our CSR objectives means fulfilling our social responsibilities toward our stakeholders, in other words fulfilling sustainability of both the Mitsui Kinzoku Group and the world.

The Mitsui Kinzoku Group Code of Conduct encourages employees to communicate with all stakeholders. The Human Rights Policy and the Corporate Governance Guidelines also encourage them to respect stakeholders and have dialogues and discussions with them appropriately.

For CSR efforts, it is therefore necessary to first identify the Group's stakeholders. We then must recognize our impacts on the stakeholders. We need to take opportunities to expand and deepen stakeholders' engagement, and listen to their long-term requests and understand their expectations. Their expectations for sustainability will be taken into account in the Group's business, decision-making, and management.

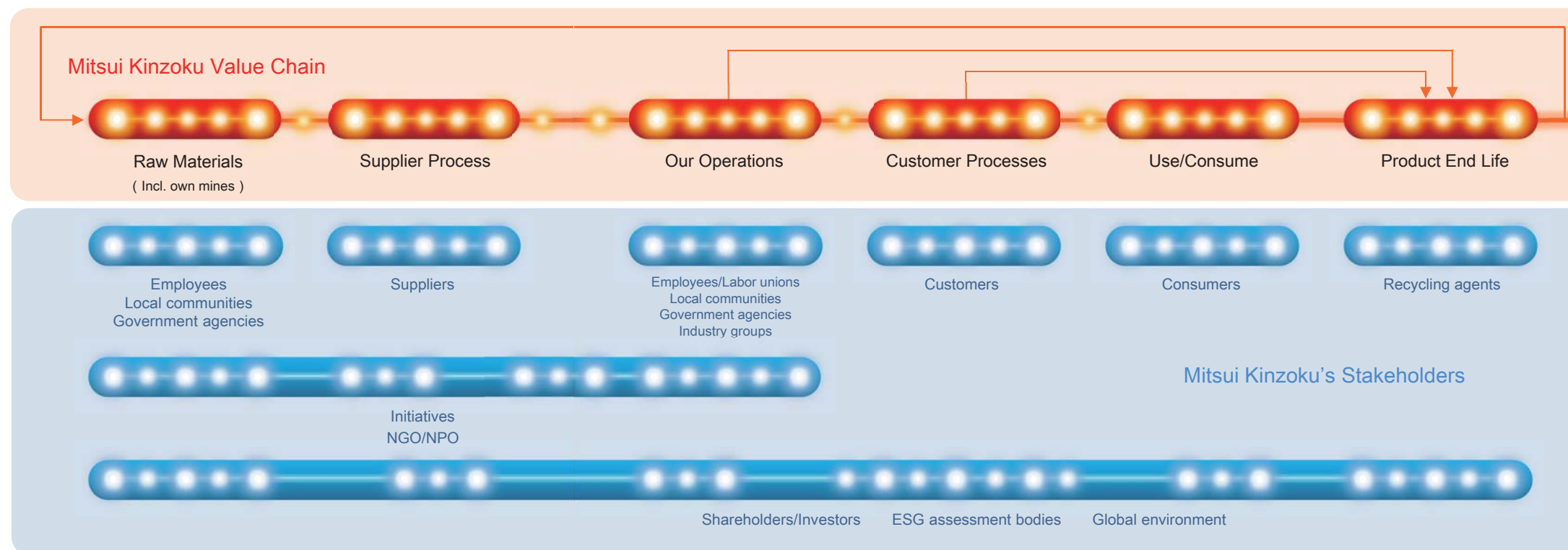
## Stakeholder identification

Mitsui Kinzoku Group considers identification and review of stakeholders using an appropriate method are vital. In FY 2016, we identified stakeholders based on eight criteria specified in ISO 26000.

Our business ranges from mining, procuring of materials and smelting, and manufacturing of materials and parts, to recycle-smelting using waste products as raw materials. These are all connected in the form of a value chain loop. Based on this value chain loop, we asked ourselves a question informed by one of the eight criteria: Who will be affected in the value chain? With this question placed at the center, the seven other criteria were used to identify stakeholders. Those who are most extensively affected in the value chain and most highly related to the seven criteria are identified as major stakeholders.

ISO 26000 recommends that organizations (companies) consider the following questions in identifying potential stakeholders:

- To whom do they have a legal obligation?
- Who will be affected positively or negatively by their decisions or activities?
- Who can express their concerns on their decisions or activities?
- Who were involved in the past when they had to deal with a similar issue?
- Who can help them in addressing a specific impact?
- Who can affect their abilities to fulfill their responsibilities?
- Who would suffer disadvantage if excluded from engagement?
- Who would be affected in the value chain?



## Stakeholder Mapping along the Value Chain “Who will be affected in our value chain ?”

It is possible that potential stakeholders remain unidentified and such stakeholders can be adversely affected by our Group's business and decisions. In 2018, as part of the grievance mechanism, we established the CSR Inquiry Line on the website of Mitsui Kinzoku. [www.mitsui-kinzoku.co.jp/input\\_form/?division=31&mode=input\\_form](http://www.mitsui-kinzoku.co.jp/input_form/?division=31&mode=input_form)

## Stakeholder Engagement

In FY 2017, we carried out engagement activities with major identified stakeholders by taking advantage of various opportunities.

Main Stakeholder	Actual Engagement 2017	Approach Method
Shareholders/Investors	<ul style="list-style-type: none"> <li>Dialogues with investors in Japan, London, Hong Kong, and Singapore</li> <li>Meetings to explain our business activities to investors at two Group sites</li> <li>Private meetings with individual shareholders and investors to provide an explanation of our business activities and to share opinions</li> </ul>	Dialog, Consultation
Employees/Labor unions	<ul style="list-style-type: none"> <li>An employee satisfaction survey, including temporary employees, implemented every three years</li> <li>Operation of the Mitsui Kinzoku Hotline as an internal whistle-blowing system (publicizing internally and encouraging its use)</li> </ul>	Communication, Dialog
Local communities	<ul style="list-style-type: none"> <li>Participation in and support for local community activities in areas where mining and manufacturing sites are located (See page 72.)</li> </ul>	Communication, Dialog
Suppliers	<ul style="list-style-type: none"> <li>Explanatory meetings for suppliers by Mitsui Kinzoku ACT Corporation (See page 66.)</li> </ul>	Communication, Partnership
Customers (incl. consumers )	<ul style="list-style-type: none"> <li>Responses to requests from customer companies to promote CSR and mail-out and receipt of CSR survey forms</li> <li>Responses to inquiries and requests from corporate customers via CDP</li> </ul>	Communication
Initiatives	<ul style="list-style-type: none"> <li>ITSCI member (See page 67.)</li> <li>Cooperation with and taking action on RMI via JEITA (See page 67.)</li> </ul>	Communication, Consultation
Government agencies	<ul style="list-style-type: none"> <li>Participation and cooperation with efforts for regional revitalization (measures to address population decline) in Omuta City in Fukuoka Prefecture, where our site is located</li> </ul>	Communication, Partnership
Industry groups	<ul style="list-style-type: none"> <li>Participation in the LBMA program</li> <li>Participation in Keidanren's Committee on Corporate Behavior &amp; Social Responsibility</li> <li>Participation in JEITA Responsible Minerals Trade Working Group</li> <li>Participation in the Japan Mining Industry Association (JMIA)</li> </ul>	Communication, Consultation, Partnership
NGO/NPO	<ul style="list-style-type: none"> <li>Responding to the CDP Climate Change Questionnaire and receipt of feedback</li> <li>Participation in the National Congress of Industrial Heritage as a supporting member</li> </ul>	Communication, Partnership
Recycling agents	<ul style="list-style-type: none"> <li>Dialogue and cooperation for process optimization aimed at reducing waste</li> </ul>	Dialog, Partnership

As for responsible minerals sourcing, particularly to address conflict minerals issue, we participate in ITSCI as a member and support LBMA's program for responsible gold transactions. To promote responsible minerals sourcing in general, we participate in the Responsible Minerals Trade Working Group of the Japan Electronics and Information Technology Industries Association (JEITA) as a member to support RMI's activities. We also respect the Responsible Business Alliance (RBA) Code of Conduct in internal activities and those undertaken in supply chains. (See Page 67.)

### Fiftieth anniversary of official recognition of the cause of "Itai-itai disease" being related to environmental pollution

May 2018 marked the 50th anniversary of the official recognition of Itai-itai disease affecting people in the Jinzu River basin in Toyama Prefecture as being related to environmental pollution.

The Kamioka Mine of the Mitsui Kinzoku Kamioka Mining Plant (present Kamioka Mining and Smelting Co., Ltd.) was one of the main mines in Japan supplying non-ferrous metals (zinc) in the period from the Meiji era to the post-WWII economic growth period. However, cadmium emitted as a result of the mining activities caused serious health problems, soil pollution, agricultural damage, and other adverse effects in the Jinzu River basin. The disease that resulted was Itai-itai disease, known as one of the "four big pollution diseases of Japan."

The disease, which first occurred in the 1910s in the Jinzu River basin in Toyama Prefecture, was reported in a newspaper for the first time in 1955. Since then, the disease has been a focus of public concern. In 1968, the cause of Itai-itai disease was officially recognized by the national government as being related to environmental pollution. A lawsuit filed by victims of Itai-itai disease against Mitsui Kinzoku as the defendant lasted until 1972, when the plaintiffs won a full victory on appeal.

Since then, Mitsui Kinzoku has made sincere efforts to compensate both people diagnosed with Itai-itai disease and those requiring observation, provide compensation for agricultural damage, cooperate in the restoration project for polluted land, and implement pollution prevention measures carried out by Kamioka Mining and Smelting.

In December 2013, the Jinzu River Basin Cadmium Pollution Victims' Group Liaison Council and other relevant organizations and our company reached consensus on a comprehensive solution to the Jinzu River Basin cadmium pollution-related problems. In response, we have decided to establish a new framework for providing compensation to Itai-itai disease patients, establishing a lump sum payment system for health management, and improving our pollution prevention measures.

While May 2018 marked the 50th anniversary of the official recognition of the cause of Itai-itai disease, our efforts to compensate patients and implement measures to prevent mining pollution at the source will continue on. To prevent such pollution-related problems from recurring, Kamioka Mining and Smelting will continue to maintain ongoing communication with local residents, maintain high levels of trust, and operate with the highest priority on environmental safety. We are determined to continue our efforts in compensating patients and preventing environmental pollution.

## Key issues proposed through engagement

Stakeholder	Suggestion	Respond
Investor	Conversion to aggressive governance	Considering adding medium- to long-term perspectives to governance efforts
Investor	Future biodiversity risks	Clearly stating how to address biodiversity in the Group's Basic Environmental Policy
Customers/Initiatives	Compliance with the RBA Code of Conduct	Adoption of the concept of the RBA Code of Conduct in efforts to conduct human rights due diligence and the procurement policy
Customers/Initiatives	Tracing the origins of involvement in conflict minerals issues	<ul style="list-style-type: none"> <li>With regard to the Group's materials and products containing conflict minerals, supplier surveys are conducted using the Conflict Minerals Reporting Template (CMRT) and responses are provided to customers.</li> <li>As for smelting business, RMAP compliance is updated.</li> </ul>

## § 2 Materiality

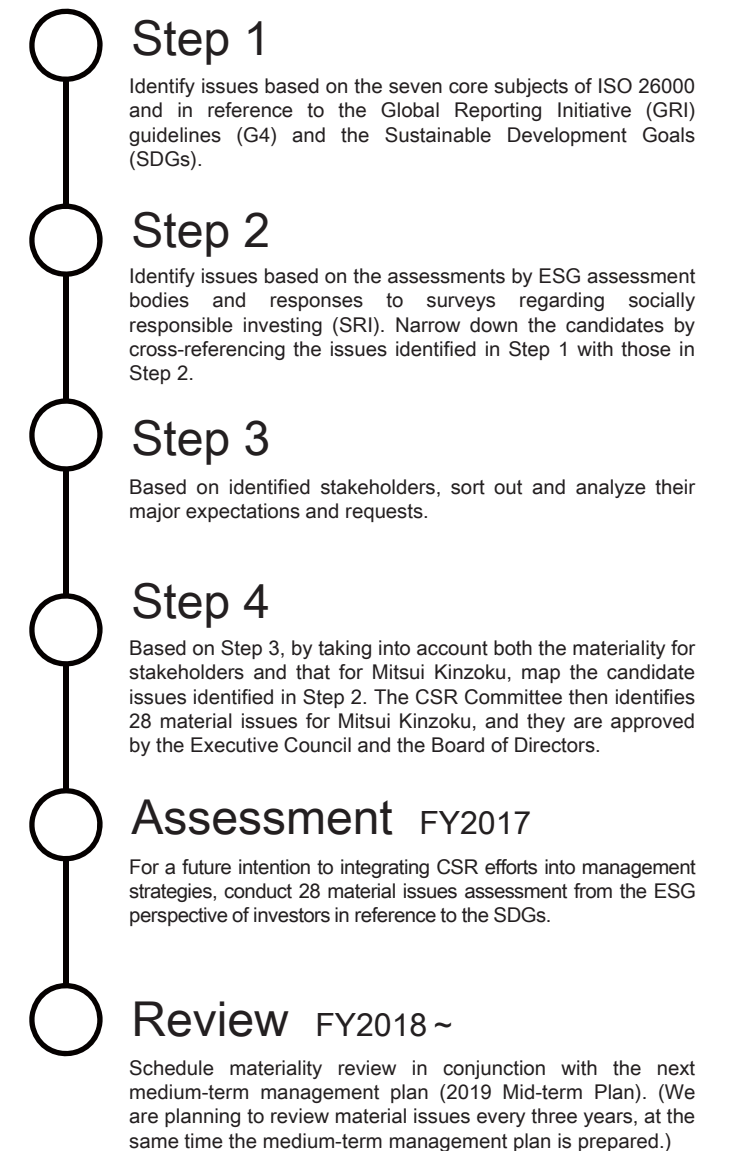
### Materiality Identification

CSR efforts aim to minimize the negative impact of our company's business and decisions and increase their positive impact as much as possible, while ensuring the sustainability of the company, environment, and society. In FY 2016, we narrowed down the issues that should be addressed as priorities in line with the requests and expectations of identified stakeholders. Of them, 28 material issues, which were determined to have a substantial impact both on Mitsui Kinzoku Group and stakeholders, were identified as Mitsui Kinzoku's materiality. In FY 2017, we conducted a materiality assessment with a view to integrating CSR efforts and management strategies. The Group's vision aims to develop a value creation process and achieve sustainability of the world.

### Materiality assessment

First of all, in order to clarify the impact of the 28 material issues on business management, we conducted a materiality assessment to reconsider each issue. The assessment was made in terms of risks and opportunities for corporate growth and financial profit. The ESG perspective was referenced as a method for assessing the long-term investment behavior of investors, one of the major stakeholders, that takes into account environmental and social perspectives. The objective of ESG investment is to establish a sustainable economic system by considering environmental, social, and governance aspects. The concept of ESG suggests approach to integrating CSR activities and management strategies.

### Materiality Identification Step



The materiality assessment in terms of the ESG perspective was made using the value chain as the horizontal axis, and risks and opportunities as the vertical axis. With regard to the horizontal axis, it was determined at which stage of the value chain each issue is mapped and which stakeholder it affects along the loop of the value chain corresponding to the stakeholder map. It was also determined which part of the value chain each material issue affects, as well as the range of the impact area.

With regard to the vertical axis, it was determined whether each material issue poses risks to our business and we must therefore reduce its impact, and whether it provides possible business opportunities.

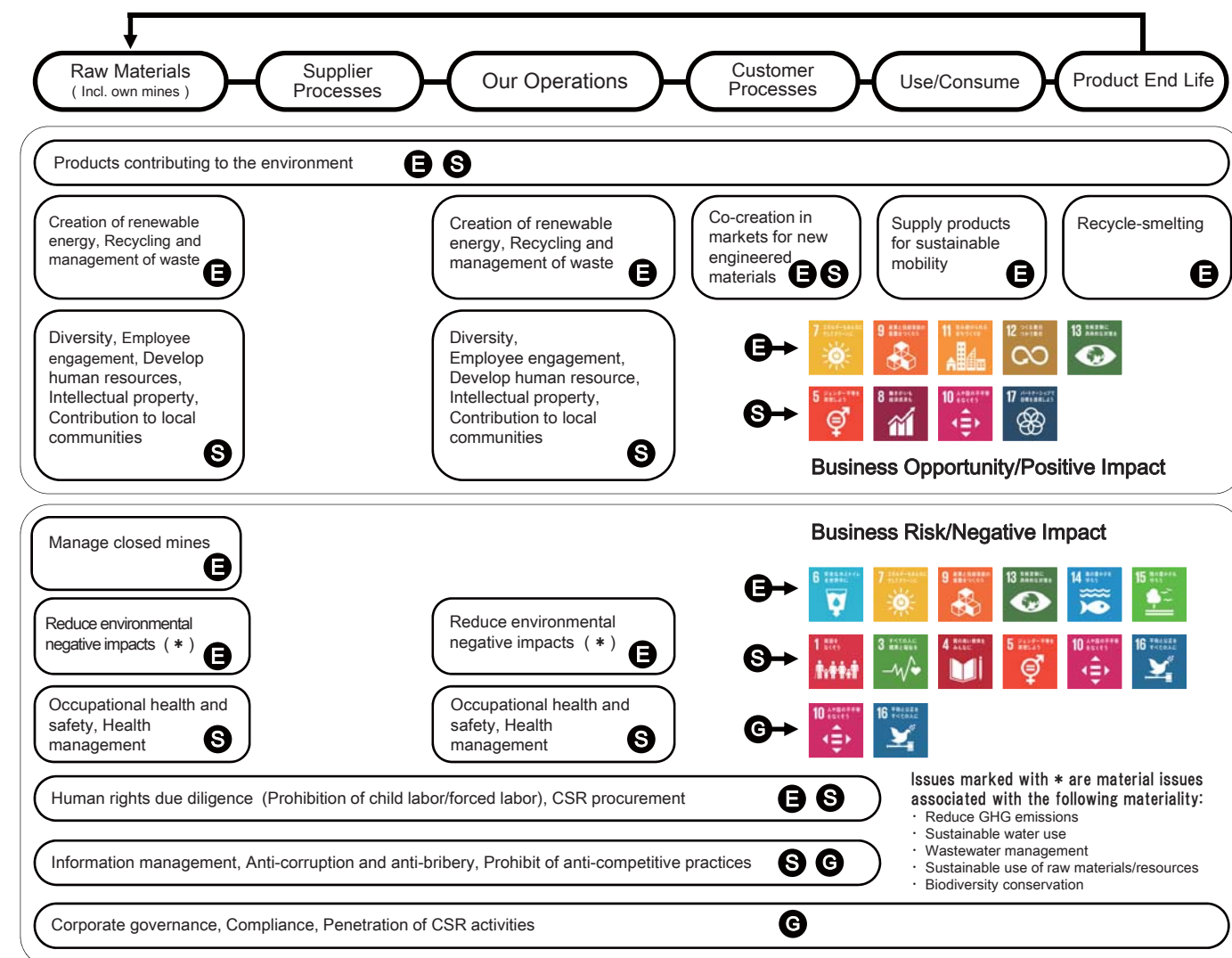
We referred to the United Nations' 17 SDGs by 2030, which are commonly shared global goals, in determining which are opportunities for the Group and which are risks. The SDGs, which provide a common language for the entire world, guides us to justify management directions and not to take incorrect management heading.

### Vision for value creation and sustainability

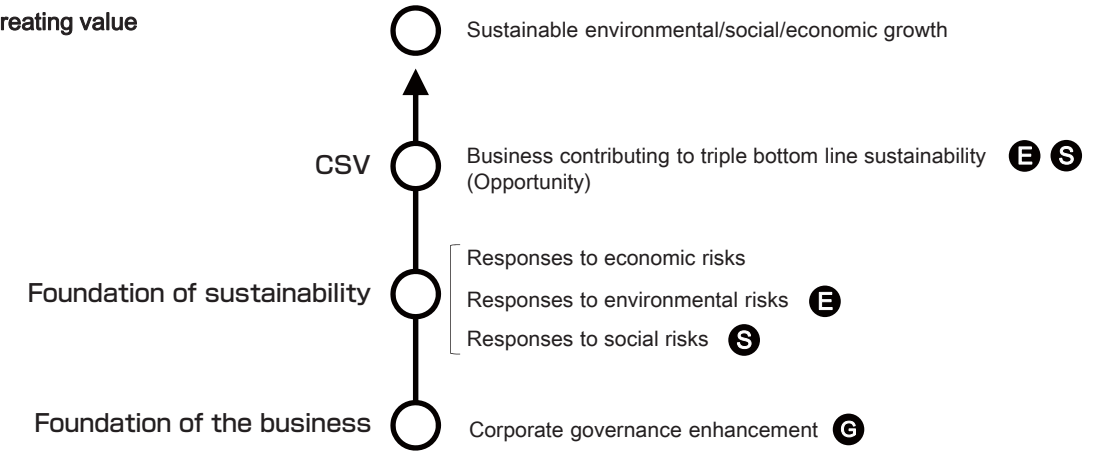
The materiality assessment enabled to visualize the impact of material issues on our business management. Our efforts will now be directed toward developing a new medium-term management plan, reviewing material issues based on it, and integrating management strategies and CSR activities. The schematic image of our value creation process is shown in the upper figure on page 15: Our process of creating value.

Based on the structure of materiality, we must firstly strengthen our corporate governance as the foundation of our business. Secondly, we need to enhance the foundation of the Group's sustainability through addressing economic, environmental, and social risks (risks of the triple bottom line). Thirdly, we will promote the business concept of Creating Shared Value (CSV) utilizing opportunities, which pursues business that simultaneously create economic, environmental, and social value. Creating shared value can be achieved by integrating our CSR activities and management strategies and it leads to

### Materiality Assessment Impact of material issues on management (opportunity and risk)



### Our process of creating value

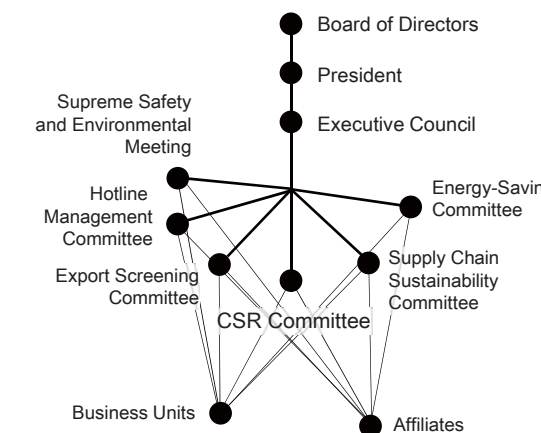


Concepts we referred to : Triple bottom line (GRI, DJSI etc.), CSV (Creating Shared Value), Opportunity and Risk by ESG

corporate sustainability. Finally, corporate sustainability will evolve to contribute to sustainable environmental, social, and economic growth on a global scale.

### § 3 CSR Management

Mitsui Kinzoku Group has established a management organization and system to address material issues efficiently and appropriately.



### Organization to address materiality

Responsibility for each material issue lies with a subcommittee of the CSR Committee. Issues that must be addressed by each business line are the responsibility of a committee in charge. These committees and subcommittees report their activities at a monthly CSR Committee meeting and share their problems and concerns.

The CSR Committee, which is responsible for promoting CSR activities throughout the Group, is chaired by the President and participated in by all corporate departments. It has seven subcommittees, which are composed of the seven core subjects of ISO 26000. The CSR Office, which is dedicated to the CSR activities, serves as the secretariat.

### Management System

Based on the management organization, the management system was introduced. Under the system, the PDCA cycle is performed annually. For each material issue, the Group has set a policy that includes a particular target. (See the next page 16, for details on the materiality and progress list.)

Each subcommittee and committee in charge conducts routine check and assessments every one to three years to review concerns and risks. For identified risks, a plan for improvement is developed and a further assessment is made. The CSR Committee reports annual activities at its meeting, assesses these activities, and discusses how to improve them.

The Board of Directors is responsible for assessing overall CSR activities and the CSR management system on a regular basis. It also reviews and approves CSR reports, which summarize the objectives, action plans, and achievements of materiality for each fiscal year. With regard to important events and decisions, the Board decides whether to approve them and also assesses them.

### Plan

- Basic CSR Policy
- Managers responsible for CSR promotion and the internal organization
- Identification of materiality issues
- Policy for each materiality issue
- Setting of goals and KPIs

### Do

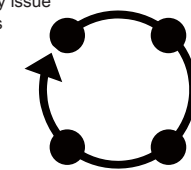
- Implementation of action plans by subcommittees of the CSR Committee and other committees in charge

### Act

- Responses to problems identified in assessments (correction of plans, goals, organizations, etc.)

### Check

- Monthly progress management and information sharing by the CSR Committee
- Assessment of overall annual activities in the CSR Committee meeting at the end of each fiscal year
- Assessment of CSR efforts by the Board of Directors








# Progress of Material Issues

## Materiality in CSR Activities

List of material issues with the commitments, the performance in fiscal 2017 and the future plan.

Materiality	Policies	Related SDGs	[Commitment]	Plan for FY 2017	Performance in FY 2017 and self assessment	Implementation plan for FY 2018
			Ideal Goals			
<b>Organizational Governance</b>						
01 Strengthen of corporate governance	Corporate Governance Guidelines		Implementation of the Corporate Governance Code and enhancement of deliberations by the Board of Directors	Review of the implementation of the Corporate Governance Code (ex. Amendment to the articles of incorporation, self-assessment by directors, etc.)	<ul style="list-style-type: none"> <li>Effectiveness assessment of the Board of Directors by a third-party organization.</li> <li>Full compliance with all the items of the Corporate Governance Code has been confirmed. More efforts for improvement will be made.</li> </ul>	○ Relevant departments will discuss and implement the amended Corporate Governance Code. The implementation status will be disclosed to public.
02 Full enforcement of compliance	Code of Conduct		Spreading of compliance awareness group-wide	<ul style="list-style-type: none"> <li>Conduct a compliance awareness survey</li> <li>Ensure all employees are informed of the Compliance Guidebook through legal audits and by training</li> </ul>	<ul style="list-style-type: none"> <li>(Japan) Compliance training was provided for personnel in charge of compliance.</li> <li>(Overseas) Training was provided at sites in China. The Chinese version of the MHL (internal reporting system) was launched.</li> <li>A compliance awareness survey was conducted to confirm the level of awareness among employees.</li> <li>Compliance training was provided to the Group's executives (jointly to directors and auditors)</li> </ul>	○ Measures will be taken to inform all employees of the Compliance Guidebook through legal audits and by providing relevant training at major sites in Japan and abroad Compliance training will be provided individually for executives (directors and auditors) of the Group.
03 Information management	Code of Conduct		Establishment of a management system for confidential information at sites beside priority sites	<ul style="list-style-type: none"> <li>Establish and spread information management regulations group-wide</li> <li>Hold seminars</li> </ul>	<ul style="list-style-type: none"> <li>A review of sales confidential information was made at five priority sites. Discussion was held on what method and system would be most suitable for each department.</li> <li>Seminars on information management were provided to executives and staff in charge at four major sites.</li> </ul>	○ An review of confidential information will be made at other sites. Discuss what method and system would be most suitable for each sites. All employees will be informed of the information management regulations and their compliance ensured. Seminars on information management will be held.
04 Spread CSR throughout the Group	Basic CSR Policy		Establishment of the CSR promotion system and each site's taking the initiative	<ul style="list-style-type: none"> <li>"CSR Caravan" at overseas model sites</li> <li>CSR training in various programs</li> </ul>	<ul style="list-style-type: none"> <li>"CSR Caravan" was conducted at sites in China.</li> <li>CSR training was provided to the Group's executives.</li> <li>CSR-related information was distributed via the intranet, internal magazine, etc. (four times in total).</li> </ul>	○ The Second Caravan in Japan "CSR Caravan" at major sites in Asia Materiality issues will be reviewed in line with the 2019 Mid-term Plan.
<b>Human rights</b>						
05 Human rights due diligence (DD)	Human Rights Policy		Understanding of the actual situation of the Group's sites and addressing human rights risks, through human rights due diligence	<ul style="list-style-type: none"> <li>Provide human rights training</li> <li>Identify the Group's human rights risks</li> <li>Prepare the Mitsui Kinzoku Group SAQ (interviews with external experts)</li> <li>Due diligence for a model site</li> </ul>	<ul style="list-style-type: none"> <li>Training on human rights was provided in rank-based training and CSR Caravan at sites in China (including prohibition of child labor and forced labor).</li> <li>The group-wide human rights risks were assessed and critical risks were identified.</li> <li>The Mitsui Kinzoku Group SAQ for internal use was developed based on advice received from external experts.</li> <li>Human rights DD was conducted at a model site in Japan.</li> <li>A survey on risks in the mining business was prepared and conducted at mining sites in which the company has a majority interest.</li> </ul>	◎ Training on human rights (including prohibition of child labor/forced labor) will be continued and will also be conducted at sites in Asia. Human rights DD will be conducted at major sites in Japan and overseas model sites. The results from the survey conducted in 2017 at mining sites in which the company has a majority interest will be reviewed and corrective measures will be discussed. The survey will be continued.
06 Prohibition of child labor/forced labor						
<b>Labor Practices</b>						
07 Diversity	Code of Conduct		Improvement of the work environment so that all employees can play an active role	<ul style="list-style-type: none"> <li>Public relations activities to employ more women</li> <li>Diversity training in rank-based training</li> <li>Spread information internally in order to raise diversity awareness</li> <li>Develop internal career consultants</li> <li>Introduce career management training</li> <li>Measures to reduce overtime by the Reduced Work Schedule Review Committee</li> </ul>	<ul style="list-style-type: none"> <li>Our facilities tours were provided for female students.</li> <li>Diversity training as part of rank-based training and diversity training at sites in Japan were started.</li> <li>Information related to diversity was distributed via the intranet, internal magazine, CSR reports, etc.</li> <li>An employee was certified as a career consultant.</li> <li>Career management training was included in the third-year training and managers' training.</li> <li>Various measures were taken by the Reduced Work Schedule Review Committee at different sites.</li> </ul>	◎ The efforts in FY 2017 will be continued. The target audience for the career management training will be expanded to include general officers. The eligibility criteria for the telecommuting system were expanded. The introduction of a return to work system for resigned employees will be considered. Discussions will be held on the leave system for those who need to relocate due to spousal job transfer, a system that allows employees to postpone a transfer, and other relevant systems.
08 Employee engagement	Basic Policy for Human Resources Development	(Same as 07)	Creation of workplaces where employees feel fulfilled in their work	<ul style="list-style-type: none"> <li>Determine specific measures based on the result of the ES survey in FY 2016</li> </ul>	<ul style="list-style-type: none"> <li>Based on results of the ES survey conducted in FY 2016, measures and systems that should be introduced were discussed.</li> </ul>	◎ Relevant measures and systems, along with efforts in promoting diversity, will be discussed.
09 Occupational health and safety	Basic Policy on Health and Safety		Ensuring fundamental safety at all sites and training employee to improve compliance with rules and increase their risk sensitivity	<ul style="list-style-type: none"> <li>Identify risks at sites with poor safety performance and instruct for improvement</li> <li>Systematic training (rank-based training, legal seminars, simulation-based safety training, RA training) /improve the database of occupational accidents and the database of worksite improvement tips</li> </ul>	<ul style="list-style-type: none"> <li>Number of occupational accidents: 39 in Japan, 26 overseas</li> <li>Training was conducted (rank-based education, legal seminars, simulation-based safety training, RA training).</li> <li>The first training program on how to identify useful "work points" was provided.</li> </ul>	△ A plan that takes into account the occurrences of occupational accidents in the previous fiscal year will be continuously implemented. (Educational programs on electric tools, specified chemical substances, and other sources of accidents will be started.)

[ Assessment standards ]  
 △ : Not achieved as planned  
 ○ : Achieved as planned  
 ◎ : Achieved more than planned

Materiality	Policies	Related SDGs	[Commitment] Ideal Goals	Plan for FY 2017	Performance in FY 2017 and self assessment	Implementation plan for FY 2018
10 Health management	Basic Policy on Health and Safety	 	Improvement of the work environment based on the stress check survey	<ul style="list-style-type: none"> <li>Establish an organization for health management and implement a stress check survey at sites</li> <li>Share the group-wide analysis with the Occupational Health and Safety Committee and the board</li> </ul>	<ul style="list-style-type: none"> <li>An organization to promote health management was established.</li> <li>A stress check survey was conducted at each site.</li> <li>Group analysis of stress check survey results was conducted and analysis results were shared with the Occupational Health and Safety Committee and board members.</li> </ul>	<ul style="list-style-type: none"> <li>Information on employees' health will be centrally controlled.</li> <li>Measures to improve the work environment based on results of group analysis of stress check survey results will be implemented.</li> </ul>
11 Develop human resources	Basic Policy for Human Resources Development	 	Making full use of the abilities of each employee	<ul style="list-style-type: none"> <li>Improve training of new employees and follow-up</li> <li>Develop candidates for the next-generation of executives</li> <li>Expand target employees to undertake a self career declaration</li> </ul>	<ul style="list-style-type: none"> <li>As training for new employees, volunteer training, training in Shanghai for administrative staff, training at overseas sites (Engineered Materials Sector), and joint training for employees dealing with machinery and electrical equipment were introduced.</li> <li>For subsection and section managers, training for selecting candidates for executive positions was provided.</li> <li>Employees above general officers were included in target employees who are required to undertake a self career declaration.</li> <li>Executives Workshop was started.</li> <li>Follow-up training for mid-career employees was started.</li> <li>National staff participated in training for subsection and section managers.</li> </ul>	<ul style="list-style-type: none"> <li>Mindfulness training will be included in training for new employees.</li> <li>Educational programs regarding advanced technology, work style reform-related issues, business skills, etc. will be improved.</li> <li>Training for selecting candidates for executive positions will be provided to section and department managers.</li> <li>National staff over general officers will be included in the target of rank-based training.</li> </ul>
<b>Environment</b>						
12 Reduce GHG emissions	Basic Environmental Policy	 	Setting Group-level targets and focusing strategic efforts	<ul style="list-style-type: none"> <li>Set a medium-term target for GHG emissions group-wide</li> <li>Calculate the amount of GHG emissions including Scope 3</li> <li>Respond to the CDP questionnaire</li> </ul>	<ul style="list-style-type: none"> <li>The Basic Environmental Policy was developed and the amount of GHG emissions was disclosed.</li> <li>We responded to CDP (Carbon Disclosure Project) requests.</li> </ul>	<ul style="list-style-type: none"> <li>A management system for reducing GHG emissions of the entire Group will be established.</li> <li>The Scope 3 GHG emissions will be identified.</li> </ul>
13 Creation of renewable energy	Basic Environmental Policy	  	Stable generation of renewable energy at the existing facilities and completion of Kamioka hydroelectric power facilities	<ul style="list-style-type: none"> <li>Determine the status of operations using renewable energy</li> <li>Confirm the status of renewal construction of Kamioka hydroelectric power facilities</li> </ul>	<ul style="list-style-type: none"> <li>Operations using renewable energy projects progressed steadily.</li> <li>The refurbishment of Kamioka Hydroelectric Power Station's facilities progressed steadily.</li> </ul>	<ul style="list-style-type: none"> <li>The status of operations using renewable energy will be determined.</li> <li>The progress of the refurbishment of Kamioka Hydroelectric Power Station's facilities will be determined.</li> </ul>
14 Sustainable water use	Basic Environmental Policy		Setting and achieving a target amount of water intake	<ul style="list-style-type: none"> <li>Determine the amount of recycled and reused water</li> </ul>	<ul style="list-style-type: none"> <li>The amount of recycled and reused water was determined at sites in Japan.</li> </ul>	<ul style="list-style-type: none"> <li>The total amount of water intake, the amount of recycled water, and the amount of reused water are monitored by water source.</li> <li>The target for each water source will be set.</li> </ul>
15 Wastewater management	Basic Environmental Policy	 	Setting and achieving a target water quality	<ul style="list-style-type: none"> <li>Review the amount of wastewater and quality by discharge destinations, and set a target</li> <li>Acquire Pollution Control Manager Certification and educate for qualified Pollution Control Managers</li> </ul>	<ul style="list-style-type: none"> <li>The amount of wastewater and water quality by destination of discharged wastewater were assessed.</li> <li>Acquisition of the Pollution Control Manager Certification was encouraged and education for qualified Pollution Control Managers to maintain and improve their capabilities was provided.</li> </ul>	<ul style="list-style-type: none"> <li>The amount of wastewater and water quality by destination of discharged wastewater will be monitored and targets will be managed.</li> <li>Acquisition of Pollution Control Manager Certification will be encouraged and education for qualified Pollution Control Managers to maintain and improve their capabilities will be provided.</li> <li>In an environmental audit, emphasis will be placed on wastewater management.</li> </ul>
16 Sustainable use of raw materials/resources	Basic Environmental Policy		Striving for zero emissions and development of products with reduced use of resources	<ul style="list-style-type: none"> <li>Determine of the ratio of recycled materials used</li> </ul>	<ul style="list-style-type: none"> <li>The ratio of recycled raw materials used was determined.</li> </ul>	<ul style="list-style-type: none"> <li>A target ratio of recycled raw materials used will be set.</li> </ul>
17 Recycling and management of waste	Basic Environmental Policy		Striving for resource circulation in the business activities including recycle-smelting	<ul style="list-style-type: none"> <li>Determine of the amount of generated waste</li> </ul>	<ul style="list-style-type: none"> <li>The amount of generated waste was determined.</li> </ul>	<ul style="list-style-type: none"> <li>A target for reduction in generated waste will be set.</li> </ul>
18 Biodiversity conservation	Basic Environmental Policy	 	Implementation of an action plan for biodiversity	<ul style="list-style-type: none"> <li>Educate corporate biodiversity conservation</li> </ul>	<ul style="list-style-type: none"> <li>Education on efforts for biodiversity conservation expected of companies was provided.</li> </ul>	<ul style="list-style-type: none"> <li>A specific action plan for efforts will be developed.</li> </ul>
19 Manage closed mines	Basic Environmental Policy	   	(Japan) Development and implementation of a management plan for suspended or closed mines	(Japan) <ul style="list-style-type: none"> <li>Develop and implement a plan for maintenance and management of suspended mines</li> <li>Update aging pit wastewater treatment facilities (preliminary assessment, planning)</li> <li>Assess earthquake resistance of storage facilities (two-year plan)</li> </ul>	(Japan) <ul style="list-style-type: none"> <li>A plan for maintenance and management of suspended mines was developed and implemented.</li> <li>Aging pit wastewater treatment facilities were updated (preliminary assessment, planning).</li> <li>The earthquake resistance of storage facilities was assessed (two-year plan).</li> <li>Testing before introducing new pit wastewater treatment technology was conducted.</li> </ul>	(Japan) <ul style="list-style-type: none"> <li>A plan for maintenance and management of suspended mines will be developed and implemented.</li> <li>Aging pit wastewater treatment facilities will be updated and operations resumed.</li> <li>The earthquake resistance of storage facilities will be assessed (two-year plan).</li> <li>Testing before introducing new pit wastewater treatment technology will be conducted.</li> </ul>

Materiality	Policies	Related SDGs	[Commitment] Ideal Goals	Plan for FY 2017	Performance in FY 2017 and self assessment	Implementation plan for FY 2018
19 (Continuation from the previous page)			(Overseas) Works before mines closure	(Overseas) · Implement works before closing a mine along the mine closing plan	(Overseas) · Works before closing a mine were conducted along the mine closing plan.	(Overseas) · Works before closing a mine will be conducted along the mine closing plan.
20 Products contributing to the environment	Basic Environmental Policy	 (And other goals)	Development of standards for products contributing to the environment and setting of targets	· Discuss regarding an internal operating system for products contributing to environment	· Efforts regarding Products contributing to the environment were specified in the Environmental Action Plan. · A program comprised of two elements, contribution through products and contribution through solutions (processes, services), and definitions	○ · An organization to implement programs for products contributing to the environment will be established. · Internal certification criteria will be designed. · Candidate products contributing to environmental protection will be identified among existing products.
<b>Fair Operating Practices</b> 21 Anti-corruption and anti-bribery	Code of Conduct		Anti-corruption and anti-bribery awareness	· Prepare for a written agreement on prohibition of corruption and bribery for sites	· Interviews regarding conclusion of an agreement on prohibition of corruption and bribery were conducted at sites in China.	○ · A written agreement on prohibition of corruption and bribery for sites in China and Asia will be prepared and used. · A sample of a basic transaction agreement will be assessed from CSR perspectives.
22 Prohibit of anti-competitive practices	Code of Conduct		Compliance with the Antimonopoly Act, the Subcontract Act, and laws related to anti-competitive practices	· Legal affairs audit and feedback at sites · Training related to fair operating practices	· Approving authority audit was conducted at Divisions under each Sector and five affiliates in Japan. · Legal affairs audit was conducted at two overseas sites. · Training related to the Subcontract Act was conducted at two sites in Japan.	○ · Legal audit and feedback will be conducted at all sites of the Group. · Training related to fair operating practices will be provided.
23 CSR procurement	Procurement Policy Conflict Minerals Policy		Fulfill responsibility to reduce risks in supply chains	· Establishment of the Mitsui Kinzoku Group Procurement Policy	· The Mitsui Kinzoku Group Procurement Policy was drafted. · A supply chain management system was established. · The Mitsui Kinzoku Group Conflict Minerals Policy was developed.	○ · The Procurement Policy will be shared throughout the Group and with suppliers. · Medium- and long-term goals for supply chain management will be established.
24 Intellectual property	President's policy regarding intellectual property		Spreading awareness and maximum utilization of intellectual property group-wide	· Support surveys for new projects · Secure and utilize intellectual property rights · Educate on intellectual property · Establish intellectual property infrastructure (stable operation of a new system)	· Surveys at laboratories were supported. · Educational activities related to intellectual property · Training regarding intellectual property was conducted as part of BS training. · Education on how to use the new system and correction of defects	○ · Surveys on new projects will be supported. · Intellectual property rights will be secured and intellectual property will be used. · Education on intellectual property will be provided and an intellectual property infrastructure will be established (improvement of the specifications).
<b>Consumer Issues</b> 25 Co-creation in markets for new engineered materials	Basic CSR Policy		Change to a company that, in cooperation with stakeholders, creates a succession of new products utilizing our "material intelligence"	Enhance the research and development system and revitalize seeking market opportunities to promote cooperation and partnership with external parties	(See pages 22-23 for details.)	○ (See pages 22-23 for details.)
26 Materials stewardship (recycle-smelting)	Basic CSR Policy		Utilization of the Mitsui Kinzoku's smelters network and increase of the collection of recycle-materials, processing capacity, and the number of processing metals	Improve the smelters' network to increase the amount of valuable metals processing and collecting capacity	(See pages 24-25 for details.)	○ (See pages 24-25 for details.)
27 Supply products for sustainable mobility	Basic CSR Policy		Establishment of the ACT brand by ensuring "Safety," "Comfort" and "Amazing Performance" using our manufacturing intelligence	Improve the result of quality assessment by customers	(See pages 26-27 for details.)	○ (See pages 26-27 for details.)
<b>Community involvement</b> 28 Contribution to local communities	Code of Conduct		Local communities understand and trust our business activities through social contribution activities	· Determine priority areas of social contribution activities and develop a three-year plan	· Priority areas were determined to be 1) science and education, 2) environmental conservation, 3) culture and tradition, and 4) support for disaster-affected areas. · Efforts in social contribution made by each site and each affiliate were identified and sites that are not engaged in social contribution were encouraged to promote efforts.	○ · The three-year action plan will be implemented.

# Co-creation in the market for new engineered material

## Materiality in CSR Activities

[Engineered Materials Sector]

Utilizing our core technologies, know-how and sales channels, we transform into a Market Co-creation business entity which works with market participants to create a succession of new products using our "Material Intelligence."

Besides maintaining a stable supply, it is essential for Engineered Materials Business to continuously create growing products and businesses.

Many of the products handled by the Engineered Materials Sector are bound to lose their product value at some point. We have experienced this before through the diversification of needs, fast-moving demand patterns, and the intensification of global competition. What is more, the product cycle today is much shorter than ever before. We need to establish a cycle in which we create growth businesses and products, enter the market early and make a profit while our products are still strong, and then link this to the next products and the next businesses to survive. Our Medium-Term Management Plan that began in FY 2016 has marked its final year. Engineered Materials Sector's goal over the period of the Plan is to establish the basis of a Market Co-creation business entity using our "Material Intelligence." A Market Co-creation business entity is an organization that develops new markets and creates growth businesses and products one after another by

integrating external forces including customers (the market) and strengths of the Engineered Materials Sector (core technologies, know-how, sales channels).

We review our core technologies and our existing sales channels and plan our business strategy in respond to market megatrends, such as consideration for the environment, IT and health care. We execute the strategy thoroughly in a cyclical manner.

Our existing technologies and channels are not enough to enable us to create a succession of growth businesses and products in a dramatically changing society. To execute the Plan and to become the Sector we want to be in the future, we radically reviewed our research and development system and strengthened our planning departments. This was based on the judgment that collaboration with entities outside the company and co-creation with the market is essential. Engineered Materials Sector is determined to work together to create growth businesses and products, drawing on its understanding of social needs and research and development pipelines with entities outside the company.

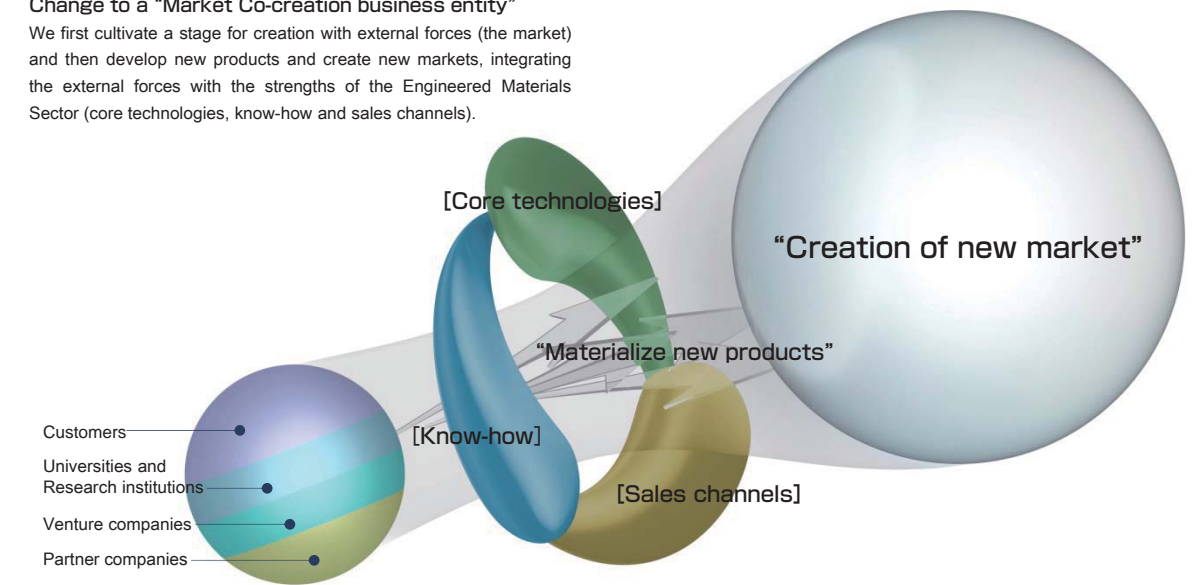


**Takeshi Nou**

Representative Director, Senior Executive Officer,  
Engineered Materials Sector

## Change to a "Market Co-creation business entity"

We first cultivate a stage for creation with external forces (the market) and then develop new products and create new markets, integrating the external forces with the strengths of the Engineered Materials Sector (core technologies, know-how and sales channels).



## [ Plan of Execution ]

### FY 2017

Strengthen research and development system, increase activities to explore market opportunities, and collaborate with entities outside the company.

### FY 2018

Strengthen joint development and collaboration and cooperation in research and development with entities outside the company, while continuing to explore market opportunities.

### From FY 2019

Build Market Co-creation research and development system and reflect these activities to our business performance.

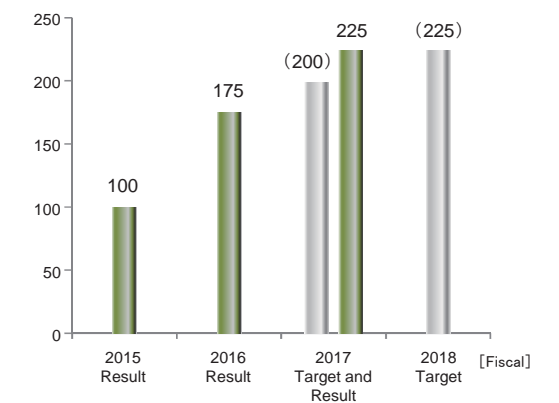
## [ Initiatives for Market Co-creation activities in FY 2017 ]

**Utilization of microwaves to develop new engineered materials**  
Microwave Chemical Co., Ltd. (headquartered in Suita, Osaka) is a venture company originating from Osaka University that works to develop new materials utilizing its own microwave platform. The company's microwave technology can be applied to a range of areas including medicine, chemical materials and food. Microwave Chemical is advancing joint development with a variety of manufacturers in Japan and overseas. Mitsui Kinzoku has reached an agreement on strategic business appliances to jointly conduct the development of new production processes and new engineered materials using microwaves through the investment in Microwave Chemical. Synergy effects with the microwave technology of Microwave Chemical are expected in the areas of the development and manufacture of engineered materials and electronics materials at which Mitsui Kinzoku excels.

**Co-creation with a venture company with film-formation solutions**  
FLOSFIA Inc. (headquartered in Kyoto) is a venture company spin-off from research at Kyoto University that engages in the commercialization of power semiconductors. Mitsui Kinzoku has entered into a capital alliance to underwrite new shares of FLOSFIA for joint development and business alliances in areas of materials using film-formation technologies based on the MISTDRY™ technology of FLOSFIA.

## Market Co-Creation Activity Index \*

( FY 2015 = 100 )



\* Market Co-Creation Activity Index  
Index reflects the combined total of joint R&D projects and business collaborations.

## Establishment of mass-production technology for next-generation circuit materials through collaboration

"MicroThin™" ultra-thin copper foil of Mitsui Kinzoku is widely used as a circuit material for semiconductor packages used for high performance communication devices such as smartphones. Mitsui Kinzoku has developed HRDP®\*1, a circuit material for next-generation semiconductor packages, to meet the requirements for the further advancement of semiconductor packages. Mitsui Kinzoku has also established mass-production technology through co-creation and collaboration with GEOMATEC Co., Ltd. (headquartered in Yokohama) with excellent thin film-formation technology. Several semiconductor manufacturers and supply chain companies have already commenced the evaluation of mass-produced products. The following are expected by using HRDP®.

- Formation of an ultrafine circuit of  $L/S^{*2} = 2/2\mu\text{m}$  (  $L/S$  in existing materials =  $10/10\mu\text{m}$  or more )
- Improvement of workability at board makers and makers that mount the boards.
- Cost reduction of next-generation semiconductor packages and substrates.

\*1 HRDP® = High Resolution De-bondable Panel  
\*2 L/S = Line-and-Space between neighboring wirings

# Recycle-smelting ~Implementing materials stewardship~

## Materiality in CSR Activities

[Metals Sector]

The strength of the Metals Sector is that it has accumulated smelting technologies and has multiple smelters.

Through a shift in approach from the optimization of individual sites to total optimization through the enhancement of cross-site functions, we have further increased our business value.

Since the early 1900s, we Mitsui Kinzoku have owned multiple non-ferrous metal smelters in Japan. We have owned the consistent process from the mine to the smelter. Similarly in our overseas operations, we have not only invested in mines, we have also undertaken mine exploration, development and operation ourselves. We are one of the few non-ferrous metal smelter companies to have done this in Japan. We have implemented the process from the upstream activities of mine development and smelting to the downstream activities. Extracting lead from scrap batteries and valuable metals from industrial waste began early in the 1990s. Our activities have extended downstream, leading to “venous industries.” Material Stewardship is included in the 10 Principles for Sustainable Development advocated by the International Council on Mining & Minerals (ICMM), an international organization made up of mining and smelting companies. The aim is to promote the establishment of a material-cycle society through management of the entire industrial supply chain from mining, smelting, and processing to consumption, disposal, recovery and recycling of metal products. Mitsui Kinzoku is not a member of ICMM but we very much approve of this principle. It is also in sync with our activities to date aimed at creating a sustainable supply chain.

Each of the smelters we own has the capacity to process various types of raw materials. We have succeeded in organically connecting these smelters into a “smelter network” and have translated this into an increase in the collection of miscellaneous raw materials and an increase in processing capacity. Through a shift in approach from the optimization of individual sites to total optimization through the enhancement of cross-site functions, we have been able to increase our business value. Under our Medium-Term Management Plan, we are driving the transformation of our structure from a non-ferrous metals smelter, which uses concentrate as raw materials, to a recycling smelter. We are actively making investments to expand our processing capacity of complex and refractory zinc ores, to increase lead blast furnace processing, and to strengthen our capacity for collecting precious metals. Together with Mitsui Kushikino Mining and our overseas sites, we are also seeking to strengthen the system of collecting materials for recycling. We are developing new smelting processes to expand the scope of metals that can be recycled. We aim to expand the capacity of recycle-smelting and to increase benefits for a sustainable business entity. We also contribute to the creation of a material-cycle society which is an integral part of our activities.

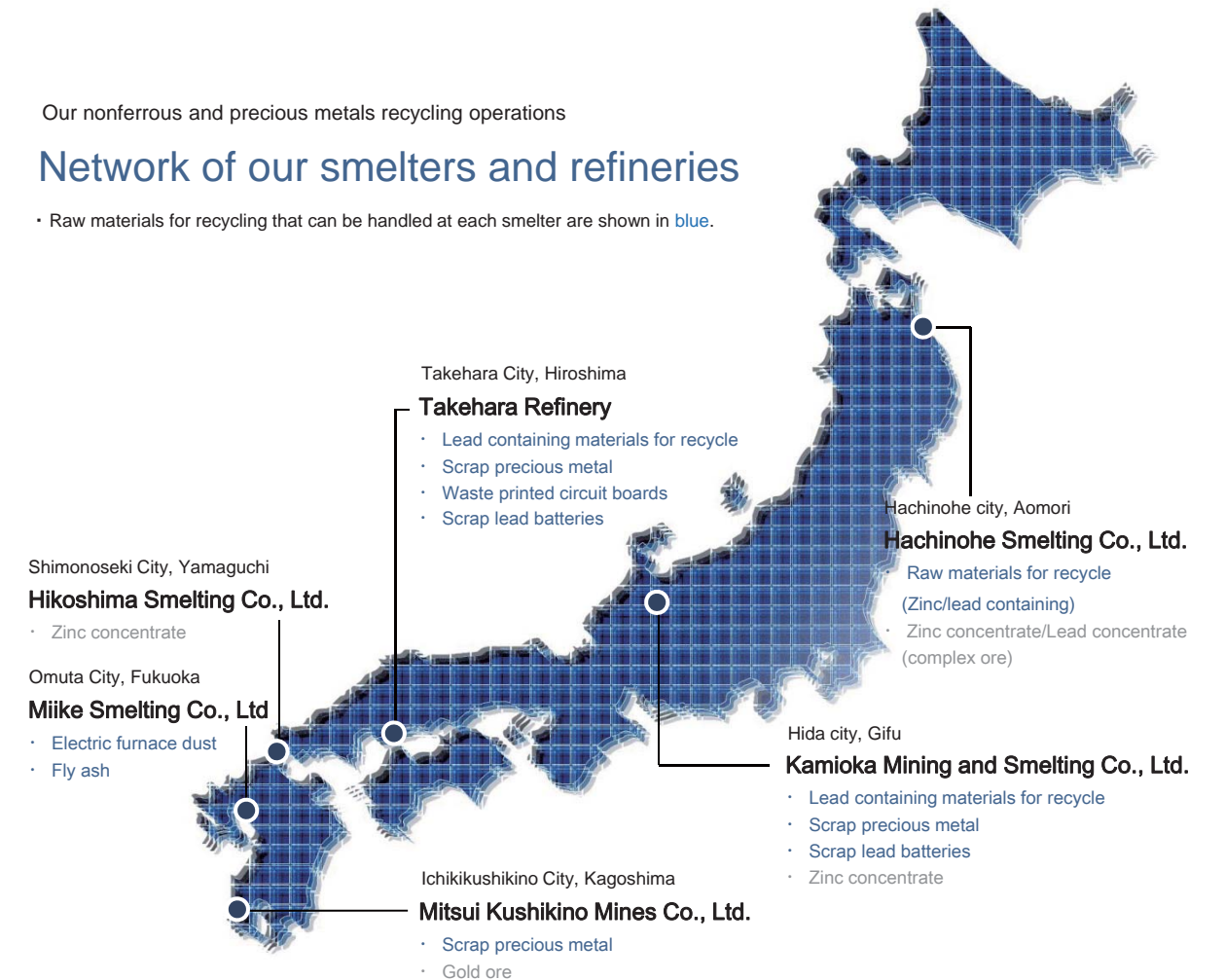


**Isshi Hisaoka**  
Director, Senior Executive Officer, Metals Sector

Our nonferrous and precious metals recycling operations

## Network of our smelters and refineries

Raw materials for recycling that can be handled at each smelter are shown in blue.



Using ores extracted from the ground, we refine and manufacture useful non-ferrous metals such as zinc, lead, copper, gold and silver. It is the smelting technology which lies at the core of the technologies of Mitsui Kinzoku fostered for more than a century. Besides cultivating and accumulating technical expertise, we have also gained experience of operating smelters for many years in six locations in Japan. Leveraging our strengths in the metals business both in terms of “soft” knowhow and “hard” facilities, we expand the scope of our operations including complex ores and recycled raw materials which were previously difficult to process. We are also working to expand our processing capacity and building a smelter network by organically connecting each of our smelters for the business shift to be capable of sustainable growth.

### [ Plan of Execution ]

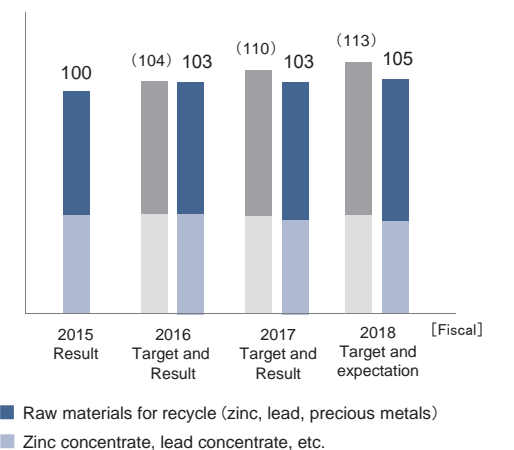
**FY 2017**  
Increase processing and extracting of valuable metals (base metals, precious metals and rare metals) by strengthening smelter network.

**FY 2018**  
Develop new recycle smelting processes for waste metals containing precious materials which are currently difficult to process.

**From FY 2019**  
Organically link new processes to smelting network to obtain more diverse raw materials for recycle and increase processing capacity.

### Expansion of recycle-smelting

( Total amount of raw materials in FY 2015 = 100 )



# Continuous supply contributing to sustainable mobility

## Materiality in CSR Activities

[Automotive Parts & Components = MITSUI KINZOKU ACT CORPORATION]

Leverage our “Manufacturing Intelligence” and provide continuously “Safety,” “Comfort” and “Amazing Performance.”

The strengthening of the quality assurance structure and the development of next-generation products are one of the processes for that purpose. Contributing to the sustainability of the automotive industry has led to the building of a resilient society.

While MITSUI KINZOKU ACT CORPORATION (hereinafter “ACT”) was established in 2010, Mitsui Kinzoku’s automotive parts & components business dates back more than half a century.

Having started operation in the U.S. in 1987, we currently have 10 manufacturing and supply sites overseas. Our system of regional business units which conduct business operations in each region is also established. We have cultivated local human resources at both operational and management level. Currently the percentage of local employees in executive officer positions is around 30% and the percentage of women in management positions also exceeds 20%.

Under our Medium-Term Management Plan, we are working to strengthen our business base and our ability to generate profit in order to achieve our Vision in 10 Years. Our Vision in 10 Years is to be widely known as a global supplier of automotive parts & components and to establish the ACT brand. This means becoming a company leveraging our “Manufacturing Intelligence” and providing

continuously “Safety,” “Comfort” and “Amazing Performance.”

In order to strengthen our ability to generate profit, which is one of the measures to get closer to our vision, improvement of cost and expansion of sales are essential. We choose in-house manufacturing if it has merits and a high operating rate. Otherwise, we choose to outsource production. In other words, competitive in-house manufacturing has to be promoted. In order to make in-house manufacturing competitive, we also actively promote automation. For the expansion of sale, we focus on the U.S. and China markets.

We also concentrate on strengthening the quality assurance structure, developing next-generation products and developing underlying technologies to earn a good reputation for ACT amongst our customers. By establishing the ACT brand and strengthening customer trust, we believe we can contribute to the sustainability of the automotive industry.



**Hiroshi Igata**

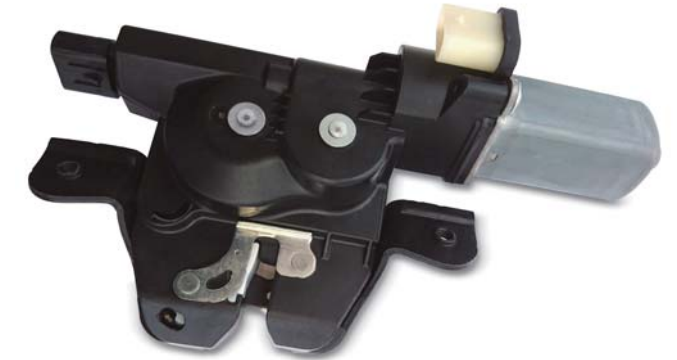
Senior Executive Officer of Mitsui Kinzoku,  
President and Representative Director of  
MITSUI KINZOKU ACT CORPORATION.

## Development of next-generation products (weight reduction)

We are working to meet the needs of vehicle users and customers (global OEM) for fuel-saving and weight reduction.



Side Door Latch **0.75**  
(Weight of existing products = 1.0)  
The value of the previous year = 0.86



Back Door Latch **0.69**  
(Weight of existing products = 1.0)  
The value of the previous year = 0.78

### [ Plan of Execution ]

FY 2017

#### Quality improvement for our customers

Focus on strengthening the “Quality” dimension of QCDDS, develop structure for “Outstanding Quality,” and improve performance in customers’ quality assessment globally.

FY 2018

#### Development and proposal of new products

Leverage our global development and sales promotion structure to meticulously meet customer requirements. Propose new products with additional features in terms of weight reduction, compactness, safety and comfort and provide them to customers (global OEM).

From FY 2019

#### Towards our “Vision in 10 Years”

Continuously develop unique products. Achieve efficient global supply of high quality products underpinned by core technologies and expand sales to new markets. Make progress toward achievement of the Act Group’s Vision in 10 Years of ¥150~200 billion in consolidated net sales and ¥10~15 billion in consolidated ordinary income.

### [ Achievements in FY 2017 ]

Effective April 1, 2017, we reviewed the Quality Assurance Department, which was previously an organization under the control of the Engineering Division. The Department became a new independent division under the direct control of the President. We prioritize “Quality” above all other matters except for “Safety.”

In FY 2017, we received a high evaluation for our initiatives to strengthen the “Quality” dimension of QCDDS in customers’ quality assessment globally.

#### Customer awards for our manufacturing sites

(Excerpts from the results in FY 2017)

- *Japan*  
“Award for Effort to Deliver Zero Defective Products” (for the sixth consecutive month) commended by Mazda Motor Corporation
- *China*  
“2017 Excellent Delivery Compliance Award” commended by Nissan (China) Investment Co., Ltd.  
“2017 DONGFENG RENAULT EXCELLENT” commended by Dongfeng Renault Automobile Co., Ltd.  
“2017 Excellent Supplier Award” commended by Honda Automobile (China) Co., Ltd.  
“2017 Excellent Supplier Award” commended by Zhengzhou Nissan Co., Ltd.
- *Thailand*  
“Quality Award” commended by General Motors (Thailand) Co., Ltd.  
“Quality Award” and “QD Certificate of Achievement” commended by Isuzu Motors Co., (Thailand) Ltd.

# Spread CSR activities throughout the Group

National and regional borders do not exist in CSR activities. We aim to entrench CSR activities as an initiative of individual employees both in Japan and globally.

## Continuous implementation of CSR Caravan

In FY 2016, we toured 22 major business sites in Japan. Following this, we launched the CSR Caravan at overseas business locations in FY 2017. We implement it at seven large sites in China where the number of employees is the second largest after Japan.

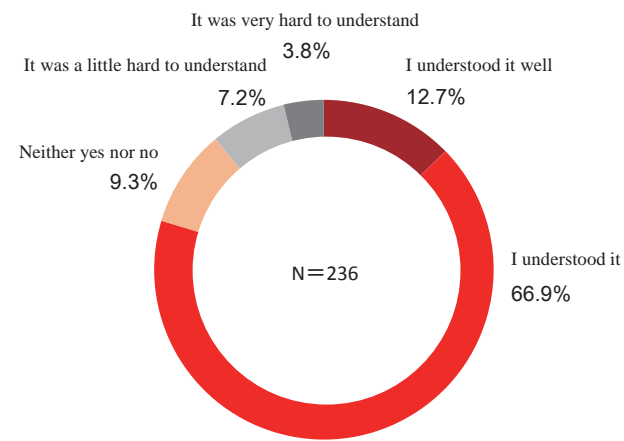
In the Caravan, we explain our CSR activities and compliance practice as two major topics. In the previous fiscal year, we added our efforts for human rights as one of the programs.

Regarding the CSR activities, we explain the content of ISO 26000, the corporate responsibilities required by society, the basic CSR policies of Mitsui Kinzoku Group and specific policies for these items. We also share the progress of our efforts regarding materiality issues. Through these explanations, we seek to facilitate employees' understanding of what they are required to work on individually.

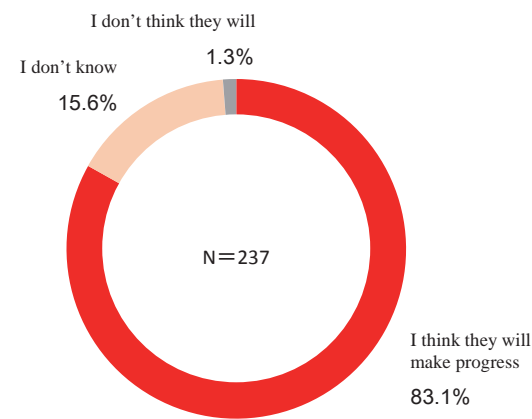
At the seven sites in China, about 260 managers and employees participated in the Caravan. At some sites, we also provided training to all employees using a video that included the explanations from the Caravan. As a result, we were able to share the explanations of CSR with a total of more than 1,000 employees.

We plan to conduct the CSR Caravan at our business locations in Asian countries and the Americas in series. We also conduct the CSR Caravan continuously in Japan.

Our aim is to enable each employee to advance their CSR activities proactively at each site of Mitsui Kinzoku Group, in addition to preparing related policies and an organizational framework.



Q Did you understand CSR as a result of this explanation ?



Q Do you think that CSR activities will make further progress within companies in China?

(From the results of a questionnaire for participants in the CSR Caravan in China)



Mitsui Components Guangdong Co., Ltd.



Wuxi Dachong Industry



Mitsui Kinzoku Advanced Ceramics (Suzhou) Co., Ltd.



Mitsui Copper Foil (Suzhou) Co., Ltd.



Mitsui Kinzoku Catalysts Zhuhai Co., Ltd.

# To gain and secure stakeholders' trust

Corporate governance provides the foundation of corporate management and sustainability. Mitsui Kinzoku Group has developed the Corporate Governance Guidelines to support swift and decisive decisions based on the commitment to ensure transparency and fairness in decision-making. The Group's efforts are based on these Guidelines.

### Basic concept of governance

Mitsui Kinzoku recognizes that "corporate governance is a mechanism for ensuring transparent and fair decision-making that proceeds in a prompt and decisive manner, taking into account the standpoints of all stakeholders, including shareholders, customers, employees, and local communities." Corporate governance, which is considered one of the most important issues in business management, is about establishing a management organization and mechanism and taking necessary measures to achieve the management philosophy.

### Directors and Board of Directors

Directors discuss important business management issues at meetings of the Board of Directors chaired by the President and Representative Director, which are held on a monthly and as-needed basis. They also supervise business operations. Before important issues are deliberated by the Board of Directors, relevant information is provided at top management meetings, executive training, and other occasions so that they can familiarize themselves with the issues in advance in order to facilitate appropriate and efficient discussion.

Mitsui Kinzoku clearly defines the standard agenda for the Board of Directors meetings based on the Board of Directors Rules (decision-making authority regulations). The Board of Directors delegates matters other than those that must be resolved by the Board of Directors to the executive team in accordance with the decision-making authority regulations. However, if a serious concern is raised, it is reported to the Board of Directors as a business execution-related matter that is required to be reported, or other appropriate responses are taken, depending on the circumstances. With regard to conflicts of interest among Directors, there is a requirement to obtain prior approval by the Board of Directors in accordance with Japanese corporate law.

### Business operations

We adopt an executive officer system to ensure efficient business operations. Important issues regarding the execution of business operations are discussed at meetings of the Executive Council consisting of Senior Executive Officers (held regularly twice per month and on an as-needed basis). Based on the results of their deliberations, business operations are executed under the leadership of Executive Officers.

Of Executive Officers who concurrently serve as Directors, the President assumes executive management responsibilities for drawing up management plans for the Mitsui Kinzoku Group, making relevant decisions, and promoting the implementation of the plans. The President also assumes executive responsibility for the business operations of the Mitsui Kinzoku Group.

We believe that in order to ensure quick implementation of company-wide management strategies in on-site settings and make correct decisions on business management it is necessary to be familiar with actual situations of business operations. Based on this idea, the Representative Directors

and each Executive Director concurrently serve as a Senior Executive Officer in charge of a business/functional department. With regard to conflicts of interest among Executive Directors, there is a requirement to obtain prior approval by the Board of Directors in accordance with the internal regulations.

### Corporate Auditors

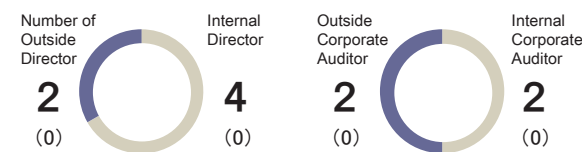
We adopt the Corporate Auditor System specified under the Japanese Companies Act. There are four elected auditors, consisting of two full-time auditors who have served as executive officers and two part-time Outside Corporate Auditors. They conduct reviews of business operations and other duties executed by Directors according to the audit plan approved by the Board of Corporate Auditors.

One of the two full-time auditors has been involved in our business management as a director of the company as well as having substantial expertise regarding risk management based on his experience in being responsible for human resources and general affairs over many years. Another full-time auditor has been involved in business management as a director of one of our affiliates and has substantial expertise in accounting operations through his experience in being responsible for accounting operations and business planning over many years.

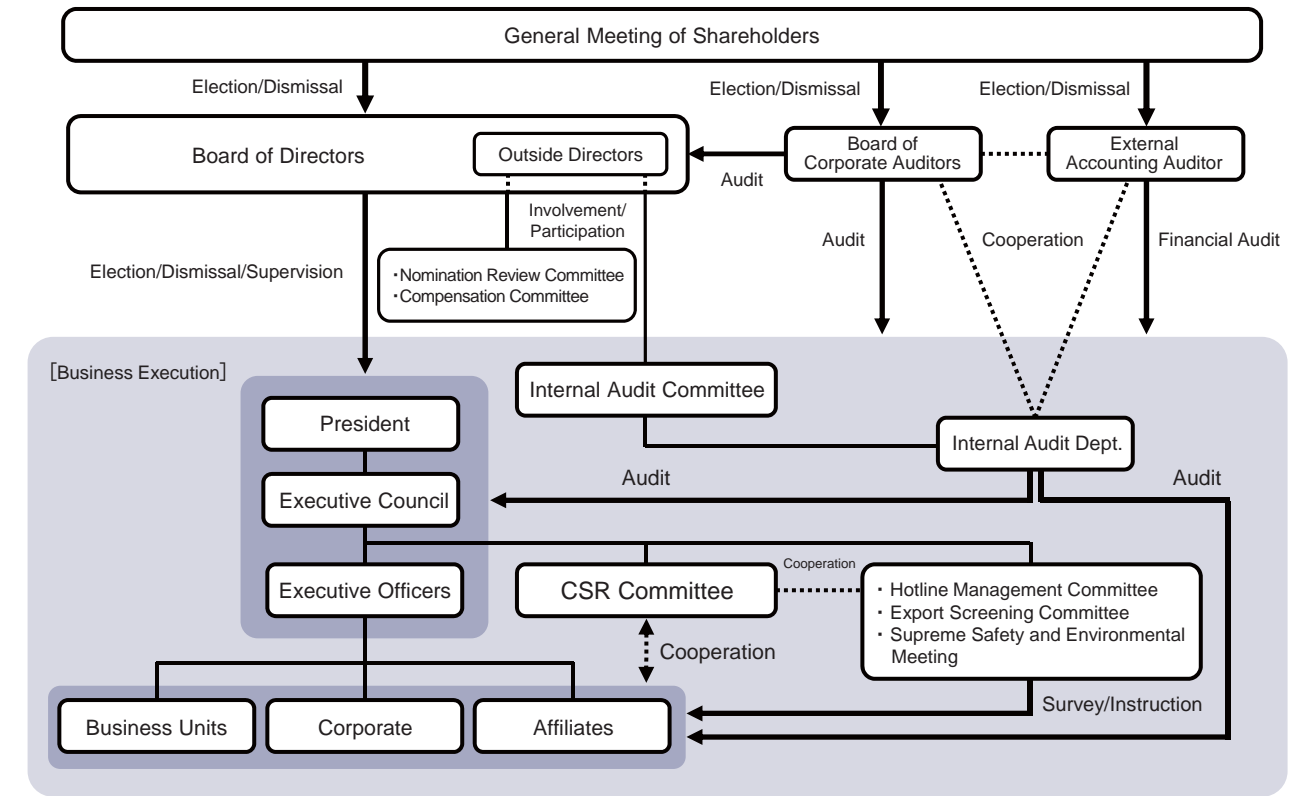
The Board of Corporate Auditors holds meetings at least once a month, which all auditors are required to attend. The auditors observe business operations executed by Directors based on their understanding of the nature of the business of our company in order to ensure sound business operations. The Corporate Auditor Office, consisting of five staff members (concurrently serving in other positions), provides support to auditors.

### Independent directors/auditors

Mitsui Kinzoku's Board of Directors is operated mainly by Directors who concurrently serve as executive officers. To ensure a proper decision-making process, there are two elected Outside Directors. They offer us useful advice and insights at Board of Directors' meetings and on other occasions, one from a professional perspective as a lawyer and the other based on his engineering expertise as well as his broader experience in engaging in university education over many years.



※ The figures in brackets show the numbers of female directors/auditors.



[Corporate Governance System of Mitsui Kinzoku]

All of the outside directors/auditors, including the two elected Outside Corporate Auditors, are independent of any specific person, including executives, and there is therefore no possibility of a conflict of interest with general shareholders. All of the outside officers of the company are registered with the Tokyo Stock Exchange as independent officers. (Refer to the Corporate Governance Guidelines for the standards for independence of our company's outside directors/auditors.)

### Nomination Review Committee and Compensation Committee

The Nomination Review Committee and the Compensation Committee of Mitsui Kinzoku are optional organizations. When the Board of Directors nominates candidates for director/auditor positions, the Nomination Review Committee identifies candidates who can fully assume the related responsibilities based on a comprehensive assessment of their abilities, views, and character. The Compensation Committee is entrusted by the Board of Directors to establish, revise, and abolish the remuneration standards for Directors and to determine the remuneration of each Director based on the remuneration standards. Each of the two committees consists of the President, Director in charge of human resources, two Outside Directors and, as advisors (external experts), two Outside Corporate Auditors.

The Chairman of the Nomination Review Committee has been and will be selected from among the Outside Directors. In FY 2017, the Chairman of the Compensation Committee will also be selected from among the Outside Directors to enhance the independence and objectivity of these committees.

### External Accounting Auditor

Mitsui Kinzoku has entered an audit agreement with KPMG AZSA LLC to undertake an accounting audit in accordance with the law. Three certified public accountants (CPAs) have provided our company with accounting services. They are designated limited liability partners and also executive members of KPMG AZSA LLC. They were assisted in their provision of accounting services by 6 CPAs and 18 other staff members.

### Internal Audit Committee and Internal Audit Department

Our company undergoes audits by Corporate Auditors and External Accounting Auditors. In addition, we have an Internal Audit Committee that operates under the direct control of the Board of Directors. With the aim of enhancing the internal control function, the Internal Audit Department is responsible for conducting internal audits. See the page on "Compliance" for audit results for this fiscal year.

### Effectiveness Assessment of the Board of Directors

To assess the effectiveness and improve the functioning of the Board of Directors, Directors and Auditors have conducted self-assessments and analysis every year. Starting in FY 2017, we invited a third-party organization to interview Directors and Auditors and analyze the results to ensure better transparency and objectivity for the effectiveness assessment.

In the latest assessment, it was confirmed that the standard agenda for the Board of Directors meetings is clearly defined and information is actively shared between Directors and Auditors, based on which a positive assessment result was received regarding the overall deliberation and monitoring function. We therefore consider that the effectiveness of the Board of Directors is ensured. We also shared issues that need to be discussed in more enhanced by the Board of Directors, for example, issues that need to be discussed in order to ensure the company's sustainable growth.

The Board of Directors will discuss issues that were identified in the effectiveness assessment in order to further improve the functions of the Board.

The Corporate Governance Guidelines defining our basic concept of corporate governance are made available to the public at the following website:

<http://www.mitsui-kinzoku.co.jp/wp-content/uploads/cggguideline.pdf>



# Compliance means fair play.

**Compliance is about observing not only laws and regulations but also social norms and ethics. It means following all the rules. We understand “all the rules” to include not only the national laws of different countries and our own internal corporate regulations but also all the conventions that society expects Mitsui Kinzoku to observe, including common sense and moral practices, even if they are not stipulated in written form.**

## Code of Conduct

The Code of Conduct defines the values that should be shared by all those involved in the Group's operations, with the aim of promoting behavior in accordance with the law and socially accepted common sense. The Code of Conduct is available in different language versions, which are distributed to overseas sites.

The Compliance Guidebook, which briefly explains the main points in practicing compliance in an easy-to-understand way, has been distributed to all executives and employees in Japan to ensure compliance. The guidebook is, at present, also available in Chinese and Thai languages, and distributed after compliance training to ensure the compliance of local personnel with the relevant legislation and practices. The Compliance Guidebook will be translated into other languages in order to promote compliance at more overseas sites.



The Compliance Guidebook, which serves as a guide for practicing compliance, has been prepared and distributed to all executives and employees to educate them on their obligation to ensure compliance. The guidebook is currently available in Japanese, Chinese, and Thai languages.

## Compliance training

Mitsui Kinzoku Group provides its employees with compliance training to ensure all of its employees are aware of the Code of Conduct. The training for new employees includes a session explaining the Code of Conduct using the guidebook. Compliance programs are also included in regular rank-based training as well as training at overseas sites to continuously raise compliance awareness.

In FY 2017, compliance training was provided for those in non-managerial positions (all union members) at different sites in Japan, including affiliates. At sites in China, training including explanations of bribery and information management was provided for employees, including managers. As new efforts in FY 2017, we provided training designed for Mitsui Kinzoku Group executives to help them acquire knowledge about their legal responsibilities and compliance practices required for executives in corporate operations.

For FY 2018, it is planned to provide a new training program for auditors. Other training seminars include a seminar on business legal affairs using a textbook for Grade 3 of the Japan Business Law Examination® sponsored by the Tokyo Chamber of Commerce and Industry and other topic-specific seminars.

In FY 2017, in addition to an annual seminar on security export control, seminars on the Subcontract Act, the stamp tax, and information management were provided at sites in Japan. (See “Promotion of information management” explained in a later section.)

## Compliance training in FY 2017

### [Japan]

Target = Staff in charge at 29 sites in Japan, including affiliates  
Participants = 4,313

### [China]

Target = Executives and employees at 9 sites in China  
Participants = 306

### [Executive training]

Target = Executives of affiliates  
Participants = 115

### [Rank-based training]

Target = New employees, young employees, newly assigned managers, etc.  
Participants = 343

## Compliance awareness survey

Mitsui Kinzoku Group conducts a compliance awareness survey, which is completely anonymous, once every two years targeting all employees. How widely the Code of Conduct is disseminated and implemented and how well compliance is achieved are assessed and assessment results are reported to the Board of Directors.

In comparison with the previous survey results (FY 2015), our most recent survey revealed certain positive effects of the compliance training, such as an increased level of awareness around compliance (meaning, the scope of violations, etc.) and increased recognition of the Mitsui Kinzoku Hotline, which will be explained in a later section. We will continue our efforts to raise employees' awareness of compliance-related issues.

## Whistle-blowing system

The Mitsui Kinzoku Hotline (whistle-blowing system), operated by the Hotline Management Committee, is available to any employee (including executives) seeking to consult or report a concern. Contact can be made at a contact point within the company or with one at an external law firm. Under the internal regulations, reporters are granted anonymity and are protected to ensure they do not suffer any disadvantage as a result of making a report. The operations of the hotline are described in the Compliance Guidebook and information on the hotline is widely disseminated among employees through compliance training and on other occasions.

Issues reported via the whistle-blowing system are regularly passed on to auditors, with the anonymity of the reporter ensured, and also comprehensively reported to the Board of Directors.

In FY 2017, a whistle-blowing system operated in Chinese for sites in China was established and started operation.

## Internal Audit

Mitsui Kinzoku's audits are mainly conducted by the Internal Audit Department according to an audit policy and plan approved by the Internal Audit Committee, which is chaired by an Outside Director. All audit results are regularly reported to the Board of Directors after being assessed by the Internal Audit Committee.

In FY 2017, the audits below were conducted. In FY 2018, audits will be conducted generally based on the framework of FY 2017, but more efforts, such as an increase in the number of auditors, will be made to improve the audit quality.

## Internal audits in FY 2017

### [Audits at all sites] ※

- (1) Audit on business operations in general (including legal compliance audit)  
3 sites (1 site in Japan and 2 overseas sites)
  - (2) Accounting and tax audit  
43 sites (27 sites in Japan and 16 overseas sites)
  - (3) Paper audit (using questionnaires)  
38 sites (24 sites in Japan and 14 overseas sites)
- ※ One of (1) to (3) above is conducted at all of the 85 sites that are required to undergo an internal audit.

### [Audit on individual items below]

- (1) Internal control audits of small-scale affiliates  
15 sites (9 sites in Japan and 6 overseas sites)
- (2) Audit on the Social Security and Tax Number System  
38 sites (All target sites in Japan)
- (3) Environmental law compliance audit 1 site (overseas)
- (4) Compliance audit of decision-making authority regulations  
6 sites (Japan)
- (5) Safety and environmental audit 34 sites (Japan)

### [Others]

- (1) Follow-up of completed audits on an as-needed basis

## Promotion of information management

Mitsui Kinzoku's information management rules define common standards for information management so as to be protected under the Unfair Competition Prevention Act. The company also promotes the establishment of a system unique to each business area, depending on the degree to which trade secrets must be managed.

In FY 2017, in order to establish an information management system that takes into account the characteristics of each business, we made an inventory of trade secrets at priority sites to consider management methods and systems that would be suitable for each department. To raise employees' awareness of information management, we provided seminars on information management by an attorney to managers and staff in charge at four sites.

Information management seminars were also conducted at two sites of affiliates.

In FY 2018, our efforts will be expanded to establish information management systems throughout the Group. Seminars on information management will regularly be provided to raise awareness of the importance of information management throughout the Group.

The Mitsui Kinzoku Privacy Policy clarifies expectations of how personal information is to be managed. The policy limits the use of customers' personal information and strictly prohibits its disclosure and provision to a third party except in certain circumstances. In FY 2017, there were no reports on the invasion of customers' privacy and no reports on leaked, stolen, or losing customers' data at Mitsui Kinzoku.

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

Article 4 of the Code of Conduct stipulates “fair business activities” and requires all executives and employees to ensure proper activities based on free and fair competition.

The Compliance Guidebook, which provides explanations on the Code of Conduct, requires the establishment and implementation of a system that ensures compliance with the Antimonopoly Act and prohibits bribery and corruption. In addition, it provides instructions on how to respond in the event of detecting any wrongdoing or being involved in wrongdoing, or if asked for a bribe.

The Compliance Guidebook (Antimonopoly Act) provides an easy-to-understand explanation of “unreasonable restraint of trade” cited in the Antimonopoly Act in Japanese, English, and Chinese. These explanations are also posted on the Group's intranet to ensure all employees are informed. Further, to reduce risks of violations, the company defines procedures for obtaining prior approval to attend meetings with other companies in the same business and ensures that all employees observe the procedures.

As part of our efforts to prevent bribery, we prepared the Agreement on the Prohibition of Commercial Bribery, which prohibits bribery and corruption at sites in China. The agreement has been and will be concluded with each supplier. These efforts help prevent not only our Group companies but also our partners from being involved in bribery.

In FY 2017, there were no reports of punitive legal action taken against Mitsui Kinzoku with respect to anti-competitive practices and bribery.

## Security export control

Article 3 of the Code of Conduct stipulates “Compliance,” requiring all executives and employees to comply with the laws, regulations, and rules of Japan and other countries as well as with internal regulations.

The Compliance Guidebook, which provides explanations on the Code of Conduct, requires compliance with export- and import-related regulations. It particularly requires us to determine whether cargo and technology to be imported/exported are subject to relevant regulations and, if necessary, to obtain an export permit.

Mitsui Kinzoku has organized its Export Screening Committee, which is chaired by the Representative Director, according to relevant regulations, such as the export management rules, and an security export control system is available. The Export Screening Committee is responsible for addressing individual issues as well as assessing the sales status of listed regulated products at each department every quarter.

# Integral base for our business

**Respect for human rights is an indispensable basis for business operations. We pursue human rights initiatives in accordance with the Mitsui Kinzoku Group Human Rights Policy**

## Our approach

In March 2017, the Mitsui Kinzoku Group established its human rights policy, which is available in 10 different languages used in areas where the Group's sites are located. Based on the internationally recognized concepts of respecting human rights, such as set out by the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the United Nations Global Compact, the policy declares the Mitsui Kinzoku Group's respect for the human rights of all those affected by its business activities. The policy also defines the implementation of human rights due diligence in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs).

## Human rights due diligence

To implement human rights due diligence, we conducted a human rights risk assessment of our Group companies. Based on the assessment results, we have concluded that, among various human rights risks, we need to place a higher priority on addressing risks related to the human rights of employees and in supply chains as well as human rights-related risks specific to mining activities, which have a significant impact on the surrounding environment.

[ Responsible supply chain ] page 64  
[ Responsible Minerals Sourcing ] page 67

## Due diligence at Group sites

In FY 2017, we created a Self-Assessment Questionnaire (SAQ) for our Group companies in order to survey efforts made at each site to address issues of employees' human rights. In designing the questionnaire, we took into account opinions of external experts. Because it was revealed as a result of the risk assessment that efforts to promote human rights were not fully implemented in these fields, the major focus of the questionnaire was on labor and ethics. In conducting the survey using the SAQ, we started with a model site in Japan. Based on the survey results, we then conducted on-site surveys and interviews. While no serious risks were identified at the model site, there were issues that needed to be improved.

## [Our roadmap]

### KPI toward 2020

100% implementation of human rights due diligence at sites with relatively high risk

### FY 2017

#### < Goal >

- Implementation of human rights training
- Human rights risk assessment and identification of human rights risks
- Preparation of Self-Assessment Questionnaires (SAQs) (interviews with external experts)
- Due diligence at a model site

#### < Achievement >

- Inclusion of training programs on human rights in rank-based training and implementation of training on human rights at seven major sites in China
- Assessment of human rights risks
- Preparation of an SAQ for sites, taking into account opinions of external experts
- Survey on human rights using the SAQ at a model site in Japan
- Risk assessment in the mining business

### FY 2018

#### < Goal >

- Continuation of human rights training and implementation of human rights training at sites in Asia
- Human rights due diligence for major sites in Japan and overseas model sites
- Continuation of risk assessment in the mining business

### FY 2019

#### < Goal >

- Continuation of human rights training
- Human rights due diligence for consolidated sites in Japan and major overseas sites
- Continuation of risk assessment in the mining business



June 2018 marked the 50th anniversary since the launch of a full-scale operation of the Huanzala Mine in Peru, a milestone that was achieved thanks to the cooperation of employees and trust built up with local residents. (The 50th anniversary ceremony)

The results were fed back to the site, based on which corrective measures were taken. In FY 2018 and following years, we will conduct the survey at more sites in Japan and, subsequently, at overseas sites.

We have also introduced training programs on human rights to keep all our employees fully informed of the human rights policy and improve their understanding and awareness of human rights. In Japan, we include a training program on human rights in rank-based training. In China, we have provided training on human rights at seven major sites with a large production scale and a large number of employees.

The prevention of forced labor and child labor is included in the survey as one of the important issues in human rights due diligence. In the survey at the model site in Japan in FY 2017, no case of forced labor or child labor were reported.

## Efforts on human rights in the mining business

In the mining business, due to the substantial impacts on the surrounding environment, it is essential to give due consideration to the human rights of local residents. We have taken measures to achieve mutual aid, coexistence, and mutual prosperity with local communities. To review the status of these measures, we created a self-assessment check sheet for sites engaged in mining activities. We started a survey on human rights using this check sheet in FY 2017 at mining sites for which we hold an investment ratio of more than 50%.

## Migration and resettlement

None of the mines where the investment ratio of our company exceeds 50% are located and operated on land owned by indigenous people or in neighboring areas. No indigenous people were forced to relocate to another area due to the development of these mines. We are currently discussing with local residents possible relocation due to development projects in the future.

## Grievance mechanisms

We have a process for resolving complaints that is designed to help develop favorable relationships with local residents and respond to problems quickly. Compania Minera Santa Luisa S.A., which operates the Huanzala Mine and the Pallka Mine, holds meetings with local governments and local community organizations on an as-needed basis, with its Community Relations Division serving as the contact office. In these meetings, the company collects residents' opinions and addresses identified complaints. There is also a system to address conflicts between the company and local residents that could affect the operation of the mines. In the event of such a conflict, a discussion with local residents is held with the attendance of a third party, such as the Ministry of Energy and Mines of Peru, which is responsible for managing the mining sector, and Peruvian government officials in charge of social conflicts. No such conflicts have so far occurred.

At the Akeshi Mine in Kagoshima Prefecture, the complaints office of Mitsui Kushikino Mines Co., Ltd., which operates the mine, receives and investigates complaints from local residents (received by phone, email, fax, etc.), based on which measures are taken to resolve them.

## Artisanal and Small-scale Mining

There is no artisanal and small-scale mining (ASM) on or adjacent to the sites of the Pallka Mine and Akeshi Mine. While the presence of ASM has been identified in an area adjacent to the Huanzala Mine, no specific conflicts with Compania Minera Santa Luisa have occurred. To address latent risks at the mine operating site, such as mine robberies by individual trespassers, and environmental pollution, the company takes enhanced measures, such as implementing patrols, to guard against such risks.

# Growth both personal and corporate

Human resource is one of the most important property for corporate sustainable growth. In order to create new corporate value, we work for developing human resources, which makes use of the individual capabilities to succeed worldwide or in local communities.

### Our approach

Our Human Resources Development Policy established in 2012 is based on "human resources are the most important resources for corporate's growth." This policy stipulates that we continuously and systematically develop human resources to achieve "strong manufacturing capability" of Mitsui Kinzoku with potential and motivation of each employee.

### Development and training system

Mitsui Kinzoku provides on-the-job training to develop skills of employees while experiencing daily operations. In addition to the OJT, off-the-Job training for each level of employees supports to acquire the knowledge and skills necessary for each career stage. Besides, business skill training allows each employee to promote each career formation. In FY 2017, we introduced new training programs and expanded the subjects for training to strengthen the development of human resources.

### [New training] Subjects and objectives

#### Volunteer training

New employees. Fostering an awareness of social contribution.

#### Training in China

New white-collar university graduates. Developing global human resources.

#### Executive training

Executive officers and directors and auditors of domestic affiliates. Raising the management's awareness of CSR activities and compliance.

#### Training for selected candidates for next-generation managers

General managers, section managers and subsection chiefs (selected). Acquiring management skills and developing the mind.

#### Follow-up training for mid-career employees

Mid-career employees. Undertaking a review after joining the company and encouraging mutual enlightenment.

### [Expansion of subjects for training] Subjects and objectives

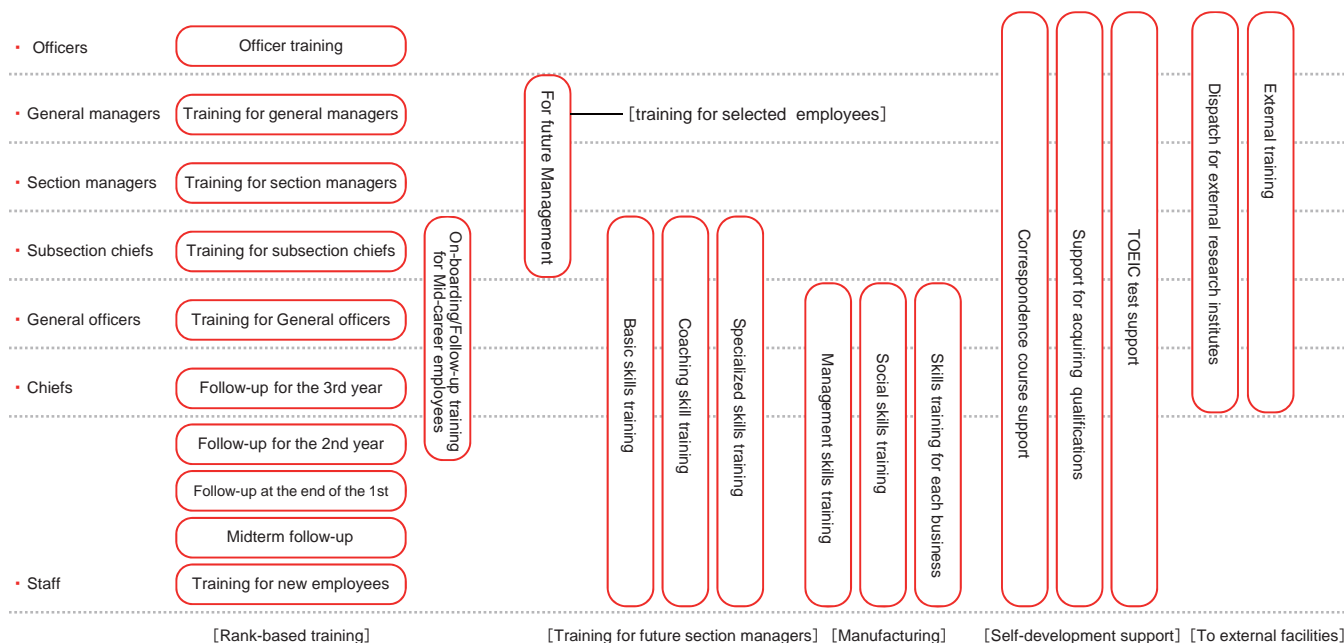
#### Training for section managers

National staff \* have been added to the subjects. Developing global human resources.

#### Training for subsection chiefs

National staff\* have been added to the subjects. Developing global human resources.

(\* National staff: Local staff in overseas sites.)



Training System



Training for subsection chiefs with national staffs.

### Performance review

Mitsui Kinzoku has established a performance review system to fairly evaluate the abilities exercised through the work, job behavior and achievements of employees. The performance review is undertaken based on the level of achievement of the role and the expectations required for each job grade defined in the statement of roles and job grades and the level of achievement of the annual targets set for each employee. Annual targets are set in April every year after a meeting with the superior, and an interim interview is arranged in October to follow up on the targets. In April the following year, after the fiscal year has ended, an interview is arranged to receive an evaluation and feedback from the superior after making a self-assessment of the degree of achievement of the targets for the fiscal year, and the determined performance review is reflected in the pay raise, promotion and bonus.

### Internal public recruitment system and self-statement system

We introduced the internal recruitment system to promote motivated employees and active organization. Positions for public recruitment are posted on the intranet. Employees with the required skills and experience are able to apply without the approval of their superiors. The system is designed to realize employees' own career plans. In fiscal 2017, two employees transferred to positions where they wished using the internal public recruitment system. Moreover, a development plan along with the ambitions of each employee is prepared with the aim of providing a stage suited to their aptitude, and their skills, desired type of work, intentions regarding transfer and something they wish to tell the company are self-reported. Managers were subject to self-reporting in the past, but general officers other than managers have also been added to the subjects in FY 2017. This information is used as the basic information for their career development and the appropriate assignment of human resources. From FY 2017, we gradually roll out the self-statement system in the Group.

### Total training hours (FY 2017)

★ = New training in FY 2017

[Target]	[Contents]	[Participants]	[Total hours]
Officers	Officer training	56	112
★ Executive officers and directors of domestic affiliates	Executive training	116	1,624
★ Selected candidates	Next-generation managers training	24	1,452
Managers	Managers Training	159	4,498
Mid-level employees	Leadership training	73	2,190
New employees *	Follow-up training, etc.	204	9,805
★ Mid-career employees	On-boarding/Follow-up training	41	448

\* Employee within 3 years after joined Mitsui Kinzoku

**Breakdown of consolidated employees by employment status and employment contract type** (as of the end of FY 2017)

		Male		Female		Total
Open-ended workforce contract	Full-time	8,410	3,910			12,320
	Part-time	181	9			190
	Total	8,591	3,919			12,510
Fixed-term contract	Full-time	672	262			934
	Part-time	87	32			119
	Total	759	294			1,053
Total		9,350	4,213			13,563
Supervised workers		753	768			1,521
Total workforce		10,103	4,981			15,084

※ Because the calculation method is different from the one for temporary employees stated in the annual securities report, the total number of employees is not in accord.

**Breakdown of consolidated employees by employment contract** (as of the end of FY 2017)

	Open-ended workforce contract		Fixed-term contract		Total
	Male	Female	Male	Female	
Japan	4,411	574	701	252	5,938
North America	523	377	0	0	900
South and Central America	569	382	13	4	968
Asia	3,045	2,541	45	38	5,669
Europe	43	45	0	0	88
Total	8,591	3,919	759	294	13,563

**Breakdown of consolidated employees by position** (as of the end of FY 2017)

	Under 30 years of age		30-49years old		50 years of age or over		Total
	Male	Female	Male	Female	Male	Female	
Managerial	3	2	714	78	537	33	1,367
Non-managerial	2,112	1,078	4,401	2,504	1,583	518	12,196
Total	2,115	1,080	5,115	2,582	2,120	551	13,563

**Percentage of managers holding local nationality in overseas sites** (as of the end of FY 2017)

North America	86.7%
South and Central America	70.0%
Asia	82.9%
Europe	81.8%
Total	82.4%

**New employee hires by region** (as of the end of FY 2017)

		Under 30 years of age		30-49years old		50 years of age or over		Total
		Male	Female	Male	Female	Male	Female	
Japan	New hires	186	47	143	57	34	13	480
	Total employees	669	118	2,982	428	1,704	224	6,125
	Rate of hiring	27.8%	39.8%	4.8%	13.3%	2.0%	5.8%	7.8%
North America	New hires	27	0	24	8	13	2	74
	Total employees	87	38	237	162	188	176	888
	Rate of hiring	31.0%	0.0%	10.1%	4.9%	6.9%	1.1%	8.3%
South and Central America	New hires	306	330	114	180	2	8	940
	Total employees	198	212	280	159	88	14	951
	Rate of hiring	154.5%	155.7%	40.7%	113.2%	2.3%	57.1%	98.8%
Asia	New hires	609	320	237	179	5	2	1,352
	Total employees	1,195	712	1,687	1,791	143	76	5,604
	Rate of hiring	51.0%	44.9%	14.0%	10.0%	3.5%	2.6%	24.1%
Europe	New hires	11	4	10	3	2	1	31
	Total employees	5	2	25	14	11	29	86
	Rate of hiring	220.0%	200.0%	40.0%	21.4%	18.2%	3.4%	36.0%
Total	New hires	1,139	701	528	427	56	26	2,877
	Total employees	2,154	1,082	5,211	2,554	2,134	519	13,654
	Rate of hiring	52.9%	64.8%	10.1%	16.7%	2.6%	5.0%	21.1%

※ Because the calculation method is different from the one for consolidated employees, the total number of employees is not in accord.

**Employee turnover by region** (as of the end of FY 2017)

		Under 30 years of age		30-49years old			50 years of age or over		Total
		Male	Female	Male	Female	Others	Male	Female	
Japan	Departures	19	9	45	23		160	25	281
	Total employees	669	118	2,982	428		1,704	224	6,125
	Turnover rate	2.8%	7.6%	1.5%	5.4%		9.4%	11.2%	4.6%
North America	Departures	19	4	34	21	1	27	28	134
	Total employees	87	38	237	162		188	176	888
	Turnover rate	21.8%	10.5%	14.3%	13.0%		14.4%	15.9%	15.0%
South and Central America	Departures	269	271	82	146		7	9	784
	Total employees	198	212	280	159		88	14	951
	Turnover rate	135.9%	127.8%	29.3%	91.8%		8.0%	64.3%	82.4%
Asia	Departures	403	229	236	164		17	7	1,056
	Total employees	1,195	712	1,687	1,791		143	76	5,604
	Turnover rate	33.7%	32.2%	14.0%	9.2%		11.9%	9.2%	18.8%
Europe	Departures	12	3	7	5		4	1	32
	Total employees	5	2	25	14		11	29	86
	Turnover rate	240.0%	150.0%	28.0%	35.7%		36.4%	3.4%	37.2%
Total	Departures	722	516	404	359	1	215	70	2,287
	Total employees	2,154	1,082	5,211	2,554		2,134	519	13,654
	Turnover rate	33.5%	47.7%	7.8%	14.1%		10.1%	13.5%	16.7%

※ Because the calculation method is different from the one for consolidated employees, the total number of employees is not in accord.

**Percentage of total employees covered by collective bargaining agreements** (as of the end of FY 2017)

	Sites in Japan	Overseas sites	Total
Employees covered by collective bargaining agreements	3,731	3,758	7,489
Total employees	6,125	7,529	13,654
Coverage rate	60.9%	49.9%	54.8%

※ Information on labor unions at some business locations is unavailable due to legal requirements.

**Labor-management relations**

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. There are 2,874 union members as of the end of March 2018. About half of the other consolidated affiliates in Japan have labor unions. These unions have established a council to cooperate mutually with the Mitsui Mining & Smelting Workers Union in their activities.

Among global consolidated affiliates, 13 affiliates have labor union. They regularly hold a labor-management council and a labor-management round-table conference to build good labor-management relationships based on mutual respect and trust.

In FY 2017, no strikes or lockouts lasting more than a week occurred in Mitsui Kinzoku Group.

# Driving force behind corporate growth

**Diversity is the source of corporate innovation.**  
**We are creating a corporate culture that allows active participation of diverse human resources.**

## Our approach

If we continue contributing to society through valuable products, innovation is essential. Mitsui Kinzoku Group promotes diversity as a source of innovation. We believe it is important to create a positive workplace where diverse employees can demonstrate their abilities. The support systems have been developed for balancing child- or nursing-care work and for diverse workstyles such as the work-at-home system. Now we are focused on creating a corporate culture to accept diversity.

## Diversity promotion system

At Mitsui Kinzoku, an internal voluntary forum, which consisting of several related departments of the headquarters was established, plays a central role in promoting diversity. The forum has identified issues, planned training and studied a variety of personnel systems. The forum was dissolved in March 2018, and its activities have been taken over by the workstyle reform project.

## Workstyle reform project

To further advance efforts to improve the workplace environment and support the balance of child or nursing care and work since March 2018, Mitsui Kinzoku has established the workstyle reform project as a cross-sectional organization to improve the labor productivity of the Mitsui Kinzoku Group and the job satisfaction of employees.

The project team has organized three working groups that examine systems, the work environment and climate and the improvement of operations at administrative departments. The project team was established for a limited time until December 2018 and will submit opinions about the measures to be taken in the medium-term management plan for FY 2019 and thereafter.

## Projects to create a well-being workplace

### FY 2017

#### <Goal>

- PR activities to hire female employees
- Diversity training in rank-based training
- Internal announcement of information to raise awareness of diversity
- Fostering of internal career consultants
- Career management training
- Measures to reduce overtime work developed by the Reduced Work Schedule Review Committee

#### <Achievement>

- Facility tour for female students
- Diversity training in rank-based training and at several sites in Japan.
- Dispatch information on diversity through the intranet, internal reports and the CSR Report
- Begin fostering internal career consultants
- Introduce career management training in the follow-up training for the 3rd year and the training for section managers

### FY 2018

#### <Goal>

- The following measures were implemented in addition to the initiatives in FY 2017
- Expand the scope of career management training for General officers
  - Expand the scope of the work-at-home system
  - Examine the introduction of a retirement reinstatement system
  - Examine measures such as a leave system and job transfer suspension system associated with the job transfer of a spouse

## General employer action plan corresponding to the Act on Promotion of Women's Participation and Advancement in the Workplace and the Act on Advancement of Measures to Support Raising Next-Generation Children

※ Mitsui Kinzoku, Non-consolidated

Mitsui Kinzoku has formulated and practiced the following projects corresponding to the Act on Promotion of Women's Participation and Advancement in the Workplace since FY 2016.

[Period]

April 1, 2016 to March 31, 2018

[Goal] (Results of FY 2017 are shown in parentheses)

1. Increase percentage of women to at least 20% of new hires. ( 15.8 % )
2. Provide all employee in management positions diversity training. ( Training for new promoted general managers and sections managers was provided and 159 employees participated.)
3. Reduce the overtime under 15 hours per month. ( 15.2 hours per month )

In April 2018, we formulated new projects corresponding to both the Act on Promotion of Women's Participation and Advancement in the Workplace and the Act on Advancement of Measures to Support Raising Next-Generation Children.

[Period]

April 1, 2018 to March 31, 2020

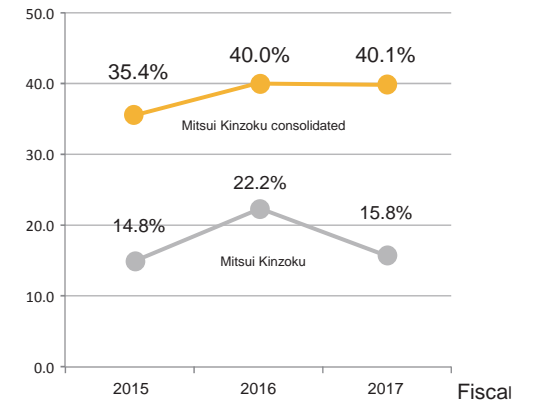
[Goal]

1. Maintain the percentage of women at 20% or more of new hires.
2. Develop a well-being workplace environment for everyone, including female employees.
3. Take measures to reduce overtime work (less than 12 hours a month) and promote annual paid leave (rate of leave of 90% or more).
4. Promote parental leave taken by male employees (rate of leave of 10% or more). Give full consideration to employees involved in childcare.

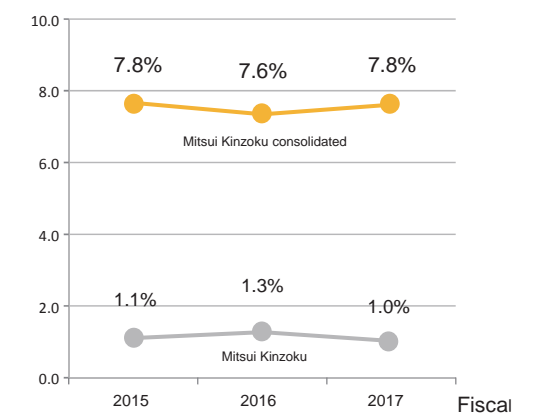
For details of initiatives after FY 2018, please refer to the website of the Ministry of Health, Labour and Welfare below.

[Website] ※ Only in Japanese

[http://positive-ryouritsu.mhlw.go.jp/positivedb/planfile/20180420111125632715\\_2.pdf](http://positive-ryouritsu.mhlw.go.jp/positivedb/planfile/20180420111125632715_2.pdf)

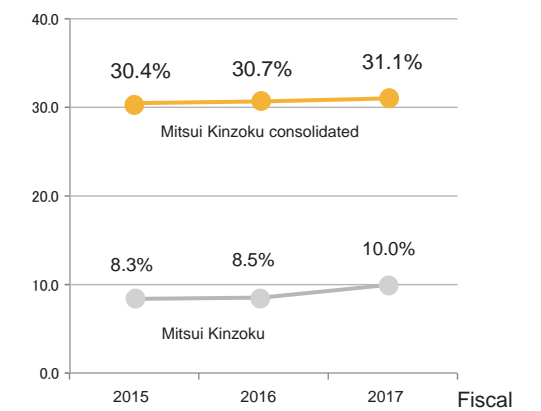


Proportion of woman as a percentage of new hires



Proportion of female employees in management positions

※ Because the treatment of seconded employees and the scope of managers at some overseas sites have been changed, the figures for prior years that were reported last year have been revised. The calculation method differs from the one for consolidated employees, and the figures are not in accord with the percentages calculated in the breakdown of consolidated employees (page 38).



Proportion of women as a percentage of total employees



Creating a workplace environment where all employees working for the Mitsui Kinzoku Group can use all their abilities is one of the important CSR activities set forth in Article 8 of the Code of Conduct, which advocates "ensuring the safe and well-being workplace." In the Miike area, we established a workplace for employees with disabilities in April 2017, and new initiatives for diverse human resources to play an active part have already commenced. Laundry Center Raccoon at Asamuta Plant in the Miike area in Omuta, Fukuoka is a workplace operated solely by employees with disabilities, where employees with physical, intellectual or mental disabilities work. They wash the work clothing used at the plants of the Mitsui Kinzoku Group in the Miike area. Various measures, including the large, clear display of work procedures and the use of easy-to-understand traffic lines, as well as safety measures, are taken to create employees-friendly work environments.

### Diversity training

As one initiative to promote diversity, we provided Diversity and Communication Training for female employees in FY 2016. Following feedback from the participants calling for the participation of male employees, we included male employees in the Training in FY 2017. Trainees learned about communication focusing on the differences between men's and women's brains. The theme of promoting diversity was also discussed in each working group.

The issues identified through the training are used for the design of future training and personnel systems. We continue to provide diversity training and awareness reform.

### Fostering of internal career consultants

To encourage each employee to think about their own career, take actions proactively and build a diverse career, we began fostering internal career consultants in FY 2017.

We will build a system to provide appropriate consulting on a range of inquiries from employees about their career by fostering internal career consultant.

### Support for balance of child or nursing care and work

Mitsui Kinzoku has already developed systems to support the balance of child or nursing care and work. We have also introduced a variety of systems, role models and initiatives on the intranet. In addition, we seek to make the systems well known through the distribution of a handbook and explanatory meetings of support systems.

For support for the balance of childcare and work, we have published an action plan corresponding to the Act on Advancement of Measures to Support Raising Next-Generation Children. Specifically, we provide longer childcare leave than the statutory period, the short-time work system and enhanced sick/injured childcare leave and its eased requirements.

Regarding support for the balance of nursing care and work, we introduced paid nursing care leave that can be taken as half or full days in January 2017 along with the legal revision. We are also operating a work-at-home system for employees undertaking child rearing or nursing care on a trial basis at the headquarters, with the aim of expanding it to departments where the system can be operated in the future.

### Parental leave

		FY 2015		FY 2016		FY 2017	
		Employees that entitled to leave	Employees that took advantage	Employees that entitled to leave	Employees that took advantage	Employees that entitled to leave	Employees that took advantage
Mitsui Kinzoku	Male	94	0	69	1	87	1
	Female	6	6	1	1	10	10
	Total	100	6	70	2	97	11
Domestic total	Male	177	1	160	3	127	1
	Female	18	18	9	8	20	20
	Total	195	19	169	11	147	21

※ Employees that took advantage: Employees that took parental leave in the relevant fiscal year of those entitled.

### Return to work and retention rates after parental leave

		FY 2015			FY 2016			FY 2017		
		Ended	Returned	Retired	Ended	Returned	Retired	Ended	Returned	Retired
Mitsui Kinzoku	Male	1	1	0	1	1	0	2	2	0
	Female	2	2	0	7	6	0	0	0	0
	Total	3	3	0	8	7	0	2	2	0
Domestic total	Male	2	2	0	2	2	0	2	2	0
	Female	5	5	0	11	10	0	6	6	0
	Total	7	7	0	13	12	0	8	8	0

※ Ended: Employees whose parental leave ended.  
Returned: Employees that returned to work after ended.  
Retired: Employees that separated from employment in twelve months after returning.

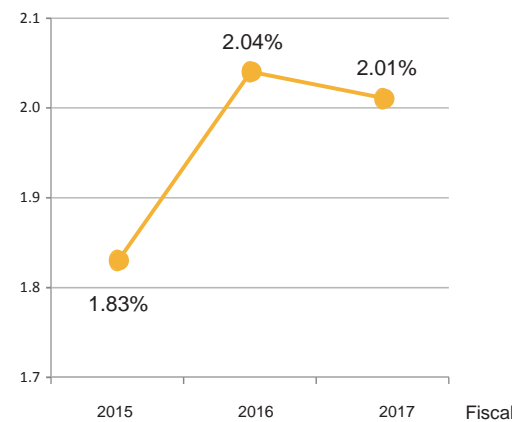
### Employment of people with disabilities

Mitsui Kinzoku has been promoting the employment of people with disabilities since 2012, with supports by public organizations, such as Hello Work (public employment security office), in each region. The ratio of employees with disabilities under the Act on the Promotion of the Employment of Disabled Persons was 2.01% of the total workforce as of the end of FY 2017 (nonconsolidated), continuing to exceed the statutory rate of employment as in 2016.

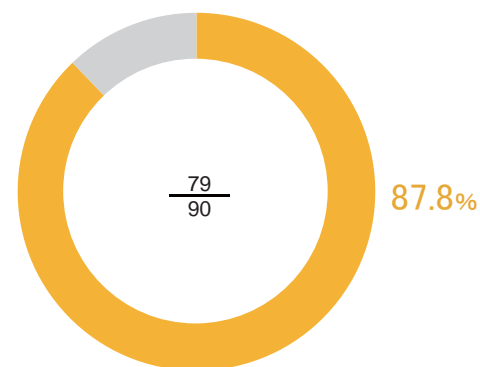
Among Mitsui Kinzoku domestic consolidated, 9 out of the 20 companies to which this Act applies achieved the statutory employment rate.

Furthermore, we strives to expand job fields and improve the workplace environment for people with disabilities.

Percentage of employees with disabilities (Mitsui Kinzoku, Non-consolidated)



Percentage of re-employed after retirement (Domestic consolidated FY 2017)

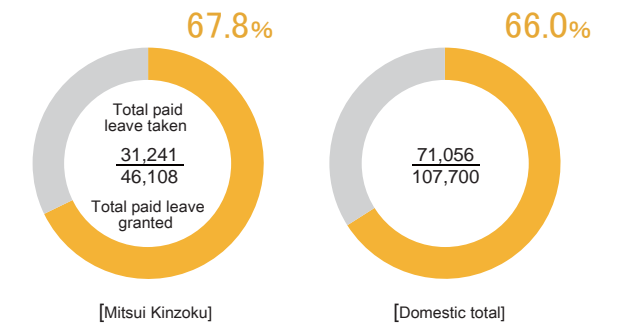


### Active participation of experienced retiree

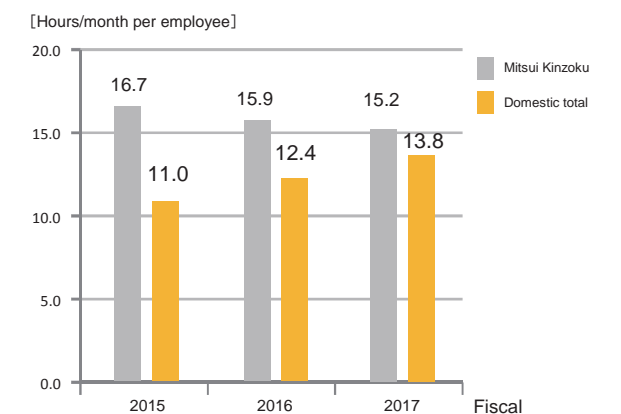
In accordance with the Act on Stabilization of Employment of Elderly Persons, Mitsui Kinzoku re-employs retirees over 60 years old in principle in order to take over their skills and knowledge to young employee. Veteran employees play an active role, leveraging their long-term of experience to provide instructions to young employees.

In FY 2017, 90 employees reached retirement age of 60 and 79 retirees were re-employed.

### Rate of taking paid leave



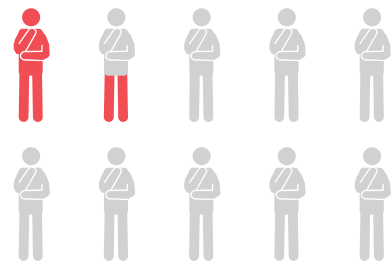
### Overtime hours



# Employees' Health

“Improvement of productivity” is an important management issue. It is essential that employees are healthy. And the right to work healthily that everyone has must be protected.

Percentage of high stress **14.0%**



\* Average of listed manufacturing companies in Japan = 13.1%

### Results of Stress Check in FY 2017

(Target : Directly hired employees of Mitsui Kinzoku and the domestic consolidated affiliates, including expatriate worker)

### Our approach

We leverage “Material Intelligence” to continue contributing to society through valuable products. It is necessary to create a work environment where all employees can maintain both physical and mental health. Together with workstyle reform, Mitsui Kinzoku Group becomes even more vibrant company through keeping our employees healthy.

### Initiatives being carried out

Since 2016, the stress check has been conducted in accordance with the Industrial Safety and Health Act. The stress check in FY 2017 shows that 14.0% of those checked have high levels of stress, almost the same level as in FY 2016.

The stress check is used for the self-care of employees as well as other efforts such as organizational analysis training to improve the workplace environment through the understanding of the strengths and weaknesses of each department based on the check results.

We also introduced the Employee Assistance Program (EAP) in 2012 to enable employees to reduce day-to-day stress and stay energetic and healthy. Employees can consult an external organization about various worries such as human relations at the workplace, career and family relations. We encourage employees to use the EAP via the Intranet, the corporate magazine and posters around the Group.

In addition, an internal report of the Mitsui Kinzoku Group has serialized a column on health since July 2017. We conduct activities to increase interest in health, including the launch of an internal website on health in FY 2018.

In April 2018, we provided new employees with training on preparations for health management as new members of society.



We have introduced health management learning in the training for new employees.



Based on the stress check results, organizational analysis training is provided to make improvements at each workplace. The picture shows the training at the Ageo sales office in the Copper Foil Division.



Occupational health physicians and nurses at business locations of the Group regularly hold meetings to share information.

### Future health management

The development of promotion systems and collaborations with professional staff are essential for health management efforts. Occupational health physicians and nurses carry out activities for occupational health at each business location. Since 2017, meetings of occupational health physicians and nurses are held regularly to actively exchange opinions about issues common to all Group companies. Through these activities, the Mitsui Kinzoku Group will continue to advance its efforts to promote the health of employees.

# Protecting worksite safety

**Mitsui Kinzoku Group holds that industrial safety and health is essential for business continuity. We provide a safe worksite environment not only for our employees but also cooperative companies, contractors, and visitors to plants.**

## Occupational health and safety management

Mitsui Kinzoku Group has already completed the building of an Occupational Safety and Health Management System, OHSAS18001, at the major manufacturing sites in Japan. 93.8% of them have already acquired the certification. We implement safety audits, including regular RA (risk assessment) and internal audit, once a year at high risk sites and every two years at other sites. Occupational health and safety management is verified in its consistency by checking the status of the approaches for safety such as RA and KY (risk prediction), and compliance with the Industrial Safety and Health Act and other relevant laws. We hold safety compliance trainings group-wide in order to facilitate compliance and activities related to occupational safety and health.

## Safety audit (FY 2017)

[Site]	[Date]
Powdertech Co., Ltd.	Feb. 20
Engineered Powders Division, Hibi Magnetic Materials Plant	Feb. 23-24
Engineered Powders Division, Miike Rare Metal Plant	Mar. 1
Nippon Yttrium Co., Ltd.	Mar. 2
Nihon Kessho Kogaku Co., Ltd., Tatebayashi Plant	Mar. 13
Catalysts Division, Ageo Operation	Mar. 27
Nihon Kessho Kogaku Co., Ltd.	Mar. 28
PVD Materials Division, Omuta Plant	Mar.29
Copper Foil Division, Ageo Operation	Apr. 20-21
Ceramics Division, Omuta Plant	May 10
Nakatatsu Kougyou Co., Ltd.	May 18-19
Catalysts Division, Kamioka Plant	May 26
Hikoshima Smelting Co., Ltd.	May 29-30
Takehara Refinery	Jun. 6-7
Miike Smelting Co., Ltd.	Jun. 27-28
Perlite Division, Osaka Plant	Jul. 19
Okuaizu Geothermal Co., Ltd.	Aug. 8-9
Perlite Division, Kitakata Quarry	Aug. 21-22
MESCO, Inc., Kyusyu Branch	Aug. 28
Kamioka Mining and Smelting Co., Ltd.	Sept. 5-6
Mitsui Kinzoku ACT Corporation, Kyusyu Plant	Sept. 6
Hachinohe Smelting Co., Ltd.	Sept. 11-12
Mitsui Kinzoku ACT, Monozukuri Technical Center	Sept. 14
Yoshinogawa Electric Wire & Cable Co., Ltd.	Sept. 19-20
Mitsui Grinding Wheel Co., Ltd.	Oct. 3-4
Mitsui Kinzoku Die-Casting Technology Co., Ltd.	Oct. 11-12
Mitsui Kinzoku Instrumentations Technology Corporation	Oct. 17
MESCO, Inc., Kamioka Branch	Nov. 21-22
Mitsui Sumitomo Metal Mining Brass & Copper Co., Ltd.	Nov. 23-26
Kamioka Components Co., Ltd.	Dec. 4-6
Nihon Mesalite Industry Co., Ltd.	Dec. 14
Kyusyu Precision Equipment and Components Co., Ltd.	Dec. 18

## Industrial Safety and Health Act Seminar (FY 2017)

[Site]	[Date]	[Participants]
Hikoshima Smelting Co., Ltd.	Jul. 20	10
Takehara Refinery	Aug. 3	14
Ageo training center	Sept. 25	11
Kamioka Mining and Smelting Co., Ltd.	Oct. 12	13
Miike Office	Nov. 9	10

## Domestic operation sites with OHSAS18001 Certification

### [Mitsui Kinzoku]

- Materials Analysis & Exploration Center
- Catalysts Division, Ageo Operation
- Catalysts Division, Kamioka Plant
- Engineered Powders Division, Miike Rare Metal Plant
- Engineered Powders Division, Hibi Magnetic Materials Plant
- Takehara Refinery
- Copper Foil Division, Ageo Operation
- PVD Materials Division, Omuta Plant
- Ceramics Division, Omuta Plant
- Perlite Division, Kitakata Quarry
- Perlite Division, Kitakata Plant
- Perlite Division, Mikata Quarry
- Perlite Division, Osaka Plant

### [Domestic affiliates]

- Nihon Kessho Kogaku Co., Ltd.
- Powdertech Co., Ltd.
- Nippon Yttrium Co., Ltd.
- Kamioka Mining and Smelting Co., Ltd.
- Hachinohe Smelting Co., Ltd.
- Hikoshima Smelting Co., Ltd.
- Miike Smelting Co., Ltd.
- Mitsui Kushikino Mines Co., Ltd.
- Mitsui Kinzoku ACT Corporation
- Mitsui Grinding Wheel Co., Ltd.
- Mitsui Kinzoku Die-Casting Technology Co., Ltd.
- Kamioka Components Co., Ltd.
- Kyusyu Precision Equipment and Components Co., Ltd.
- Nihon Mesalite Industry Co., Ltd.
- Mitsui Kinzoku Instrumentations Technology Corporation
- Mitani Rolled Copper Co., Ltd.
- Mitsui Sumitomo Metal Mining Brass & Copper Co., Ltd.
- Yoshinogawa Electric Wire & Cable Co., Ltd.
- MESCO, Inc.

## Basic Policy on Health and Safety

### [Principle]

Based on the recognition that ensuring the health and safety of all people working for the Mitsui Kinzoku Group is the most important element for conducting business activities, we will establish a comfortable work environment.

### [Policies]

1. We will make efforts to improve the level of health and safety management by complying with the provisions of the Industrial Safety and Health Act and establishing any necessary self-standards.
2. We will improve the organizations and systems at each location and company of the Mitsui Kinzoku Group for the promotion of health and safety activities.
3. We will identify and assess the risks or harmful factors in all areas of our business activities and make efforts to eliminate or minimize them.
4. We will make efforts to introduce new methods and technologies to improve health and safety.
5. Based on the recognition that ensuring health and safety will be realized with good communication, we aim to communicate with all people working for the Mitsui Kinzoku Group.
6. We will strive to continuously improve the health and safety management system by regularly undergoing an audit.
7. We will remind all people working for the Mitsui Kinzoku Group of the importance of ensuring health and safety and increase their awareness through education and activities to raise awareness, etc. about this.

These policies apply to all the directors, officers and employees of Mitsui Kinzoku and its Group companies.

## Occupational health and safety management system

In the Mitsui Kinzoku Group, the Chief Environmental and Safety Officer, who is an officer in charge of environment and safety, presides over occupational health and safety. The Supreme Safety and Environment Meeting has been established to deliberate and decide on the most important matters for safety and the environment.

In addition, a meeting of general managers in charge of safety and the environment is held every month, at which the Chief Environmental and Safety Officer, the general managers of the sectors and the officer in charge of safety in Mitsui Kinzoku ACT examine the causes of accidents, deliberate the appropriateness of measures and expand the measures to the entire Group.

## Labor-management activities

At each site, meetings of the Health and Safety Committee are held between labor and management based on the Industrial Safety and Health Act to share information on actual labor accidents and deliberate countermeasures. Meetings of the Central Health and Safety Committee are also held once a year to share remedial measures. The Chief Environmental and Safety Officer, the Chief Environmental and Safety Administrators of sites and the officers in charge of safety at labor unions under the Mitsui Mining & Smelting Workers Union attend the Committee meetings. We have concluded an agreement on health and safety with the Mitsui Mining & Smelting Workers Union and implement measures for occupational health and safety based on the agreement.

## President's focused guidelines on health and safety for 2018 \*

1. Give priority to advancing the intrinsic safety of equipment and the equipment measures in line with the concept of risk assessment.
2. Continue the full enforcement of safety compliance activities to eradicate accidents that result from a violation of rules.
3. Increase the level of sensitivity to danger of all people working for the Mitsui Kinzoku Group by reminding them of its importance.

In light of the guidelines above, each business sector will prepare and execute basic safety and health targets based on their situations to achieve no accidents.

(\*) The policies are based on the analysis of the accidents occurring between January and September 2017, and enacted in October.





**Internal safety audits**

Teams made up of safety officers from each business division and the Environment & Safety Department conduct safety audits of each site. They check aspects such as action taken to address issues identified in the previous audit, execution of the safety and health management program, enhancement of the intrinsic safety of equipment, chemical substance risk assessments and the status of safety training. They then conduct a field audit of each line. The audit results are shared the same day with the management of each site.

(Photos: Safety audit in Mitsui Kushikino Mines Co., Ltd.)



**Safety results in 2017**

**1. Number of accidents**

(1) Domestic sites of Mitsui Kinzoku Group  
 Accidents that require days off from work: 12 cases  
 Accidents that do not require days off from work: 27 cases  
 Total number of accidents: 39 cases (up 6 from last year)

(2) Overseas sites of Mitsui Kinzoku Group  
 Accidents that require days off from work: 13 cases  
 Accidents that do not require days off from work: 13 cases  
 Total number of accidents: 26 cases (up 4 from last year)

Mitsui Kinzoku Group has previously always used only “the number of accidents that have occurred” to understand and share the weight of one accident and has, therefore, not used indices such as the industrial accident frequency rate or the annual accident rate per thousand employees. However, in light of the fact that these are typical indices disclosed by many companies, starting this fiscal year, we have disclosed the accident frequency rate and severity rate.

**2. Frequency rate**

※ Accidents by employees at cooperative companies and contractors are not included.

- (1) Mitsui Kinzoku Non-consolidated 1.18
- (2) Domestic consolidated affiliates 2.07
- (3) Overseas consolidated affiliates 1.37

$$\text{Frequency rate} * = \frac{\text{Number of casualties by industrial injuries}}{\text{Total actual working hours}} \times 1,000,000$$

\* The frequency rate expresses the frequency of accidents based on the number of casualties at a site or company per 1,000,000 hours.

**3. Severity rate**

※ Accidents by employees at cooperative companies and contractors are not included.

- (1) Mitsui Kinzoku Non-consolidated 0.03
- (2) Domestic consolidated affiliates 0.03
- (3) Overseas consolidated affiliates 0.04

$$\text{Severity rate} * = \frac{\text{Total number of working days lost}}{\text{Total actual working hours}} \times 1,000$$

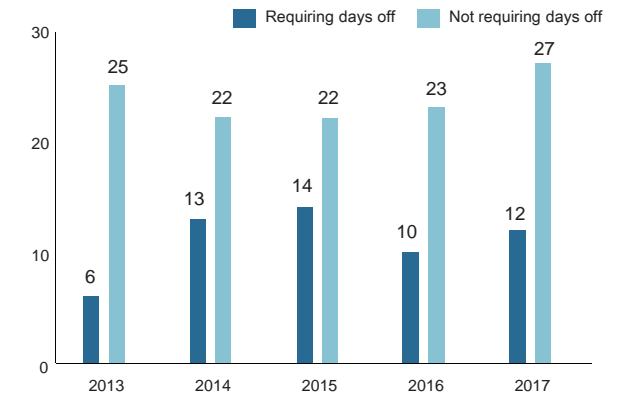
\* The severity rate expresses the severity of accidents calculated based on the number of working days lost as a result of accidents.

We will strive to achieve zero-industrial accidents with all supervisors, employees, and cooperative companies returning to the starting point of the basic safety rules as well as by reviewing the risks and countermeasures once again in their practical operations.

We make the occurred accidents fully known to all the companies in a report and analyze these accidents. The results of the analysis are reflected in the President’s Focused Policies on Safety and Health which raise awareness and outline new countermeasures, and are promptly shared group-wide.

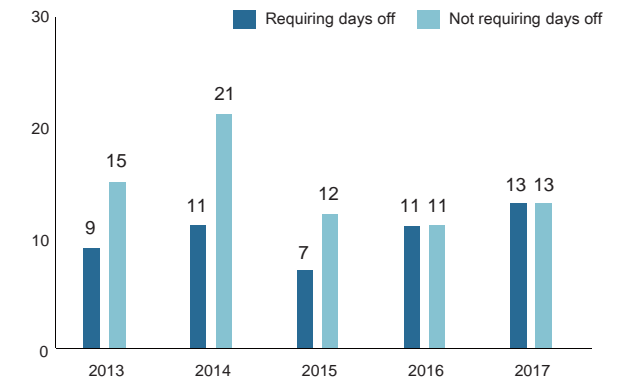
**Trends in the number of accidents in domestic sites**

(※) Accidents that have occurred in cooperative companies and contractors

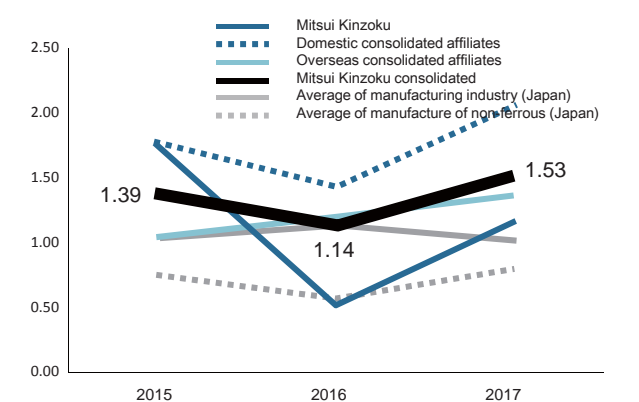


**Trends in the number of accidents in overseas sites**

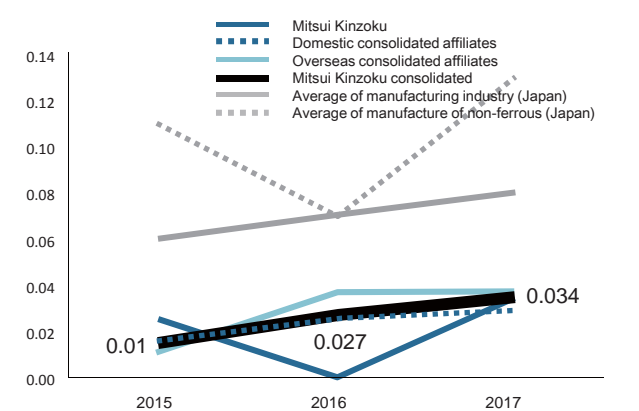
(※) Accidents that have occurred in cooperative companies and contractors.



**Frequency rate of accidents**



**Severity rate of accidents**



# Reduce environmental footprint

**We are striving to conserve the global environment while producing useful materials that will contribute to sustainable development in society. Continuing to achieve such a balance is one of the important management issues of Mitsui Kinzoku Group**

**Conserve the environment and continue our business**

Smelting non-ferrous metals from mineral ore and supplying useful materials for various industries and society. This is the origin of our business. However, developing mines and mining have an impact on the environment. Even in the process of refining and processing ore, we consume energy and water. We also inevitably create by-products, CO2 and waste. In 2001, we established the Basic Policy on Environmental Conservation and formulated the Environmental Action Plan aiming to improve our environmental management system and minimize the environmental impact.

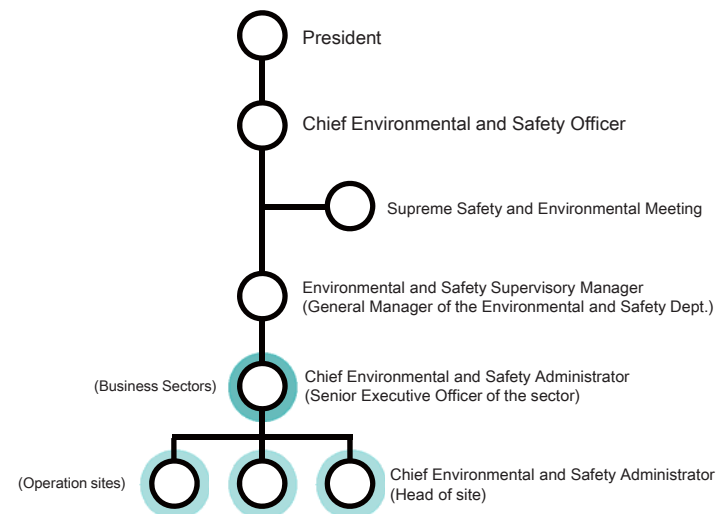
In April 2018, we revised the Environmental Action Plan to meet the current needs of society. We have established targets for our efforts to reduce greenhouse gas emissions and waste and create products that will contribute to the environment. We have also partially revised the Basic Policy on Environmental Conservation.

**Environmental management**

Mitsui Kinzoku Group has established the Supreme Safety & Environmental Meeting as a place to deliberate and determine the most important matters related to safety and the environment.

Guidelines and action plans determined at the Meeting are spread to the business locations of the Group by the Environmental and Safety Supervisory Manager (General manager of the Environmental and Safety Dept.) under the direction of the Chief Environmental and Safety Officer. At each business location, the Head will execute the action plans as the Chief Environmental and Safety Administrator.

Environmental Management System



## Basic Environmental Policy

(Revised in April 2018)

[Principle]

While recognizing the conservation of the global environment as one of the most important management issues, we will act with consideration for environmental conservation in all aspects of our business activities.

[Policies]

1. We will make efforts to prevent environmental contamination and reduce negative environmental impacts by complying with laws and regulations, assessing the impact of our business activities on the environment, including with regard to biodiversity, and setting necessary self-standards.
2. We will improve the organization and system to promote the environmental preservation activities at each site and company of the Mitsui Kinzoku Group.
3. We will strive to address climate change and reduce wastes and the emission of environmental pollutants by setting targets.
4. As a commitment to sustainable use of natural resources and conservation of biodiversity, we will actively promote the introduction of environmentally-friendly technologies, materials, and the development of environmentally conscious products and solutions.
5. We will continuously improve the environmental management system by regularly implementing an audit.
6. We will raise awareness of all people working in the Mitsui Kinzoku Group by emphasizing the importance of environmental conservation through environmental education and awareness raising.

These policies apply to all the directors, officers and employees of Mitsui Kinzoku and its Group companies.

**Environmental audits**

We conduct an environmental audit at all 45 business locations in Japan. We conduct it annually at mines and business locations with a high environmental risk that engage in smelting, once every two years at business locations with a moderate environmental risk among those that engage in the processing of parts, and once every three years at business locations with a low environmental risk. In 2017, we carried out an audit at a total of 30 business locations.

In an environmental audit, usually two or more auditors spend half a day to two days at one business location and conduct the audit according to ISO14001. The auditors collect performance data such as measured values of waste water and waste gases, etc., checking on-site risks, and also check responses to matters pointed out in the previous audit. The business locations complete the remedial measures for the matters pointed out in the audit within the relevant fiscal year.

In June 2015, we added the audit of statutory applications and notifications. We check whether applications required by laws and regulations are appropriately made.

**Environmental training**

Mitsui Kinzoku Group believes that increasing the environmental awareness of individual employees will help encourage environmental activities. We, therefore, provide lectures to encourage compliance with environmental laws and regulations. We implement workshops about environment-related laws and regulations as group training for employees of all group companies, gathering at our headquarters.

We are also focusing on environmental training that is helpful at the workplace. For example, we give lectures to site managers at each site about the laws and regulations required for their own operations. We provide training in relation to actual operations.

**Operating sites with ISO14001 certification**

[Mitsui Kinzoku]

- Catalysts Division, Ageo Operation
- Catalysts Division, Kamioka Plant
- Engineered Powders Division, Miike Rare Metal Plant
- Engineered Powders Division, Hibi Magnetic Materials Plant
- Takehara Refinery
- Copper Foil Division, Ageo Operation
- PVD Materials Division, Omuta Plant
- Ceramics Division, Omuta Plant

[Affiliates]

- Nihon Kessho Kogaku Co., Ltd.
- Mitsui Kinzoku Catalysts Zhuhai Co., Ltd.
- PT.MITSUI KINZOKU CATALYSTS JAKARTA
- Mitsui Kinzoku Catalysts (Thailand) Co., Ltd.
- Mitsui Kinzoku Catalysts Vietnam Co., Ltd.
- Powdertech Co., Ltd.
- Nippon Yttrium Co., Ltd.
- Taiwan Copper Foil Co., Ltd.
- MITSUI COPPER FOIL (MALAYSIA) SDN.BHD
- Oak-Mitsui Inc.
- Mitsui Copper Foil (Suzhou) Co., Ltd.
- Mitsui Electronic Materials Co., Ltd.
- Mitsui Kinzoku Korea Co., Ltd.
- Kamioka Mining and Smelting Co., Ltd.
- Hachinohe Smelting Co., Ltd.
- Hikoshima Smelting Co., Ltd.
- Miike Smelting Co., Ltd.
- Mitsui Kushikino Mines Co., Ltd.
- Public Nuisance & Medical Research Institute, Inc
- Shanghai Mitsui Xin Yun Precious and Rare Metal Recycle Co., Ltd.
- Compania Minera Santa Luisa S.A.
- Mitsui Kinzoku ACT Corporation
- GECOM Corp.
- MITSUI SIAM COMPONENTS CO., LTD.
- MITSUI COMPONENTS EUROPE LTD.
- Mitsui Components Guangdong Co., Ltd.
- MITSUI KINZOKU ACT MEXICANA, S.A. de C.V.
- Mitsui Kinzoku Trading Co., Ltd.
- Mitsui Grinding Wheel Co., Ltd.
- Mitsui Kinzoku Die-Casting Technology Co., Ltd.
- Kamioka Components Co., Ltd.
- Kyusyu Precision Equipment and Components Co., Ltd.
- Nihon Mesalite Industry Co., Ltd.
- Mitsui Kinzoku Instrumentations Technology Corporation
- Mitsui Sumitomo Metal Mining Brass & Copper Co., Ltd.
- Yoshinogawa Electric Wire & Cable Co., Ltd.
- MESCO, Inc.
- MINDECO, Iwami mining station
- Okuaizu Geothermal Co., Ltd. Nishiyama Office
- Mitani Rolled Copper Co., Ltd.

### Environmental audit 2017

[Site]	[Date]
Powdertech Co., Ltd.	Feb. 20
Engineered Powders Division, Hibi Magnetic Materials Plant	Feb. 23-24
Engineered Powders Division, Miike Rare Metal Plant	Mar. 1
Nippon Yttrium Co., Ltd.	Mar. 2
Nihon Kessho Kogaku Co., Ltd., Tatebayashi Plant	Mar. 13
Takehara Refinery (External audit)	Mar. 15-16
Catalysts Division, Ageo Operation	Mar. 27
Nihon Kessho Kogaku Co., Ltd., Ageo Plant	Mar. 28
PVD Materials Division, Omuta Plant	Mar. 29
Copper Foil Division, Ageo Operation	Apr. 20-21
Ceramics Division, Omuta Plant	May 10
Nakatatsu Kougyou Co., Ltd.	May 18-19
Catalysts Division, Kamioka Plant	May 26
Perlite Division, Osaka Plant	Jul. 19
Miike Smelting Co., Ltd.	Jul. 27-28
Okuaizu Geothermal Co., Ltd.	Aug. 8-9
Perlite Division, Kitakata Plant	Aug. 21-22
Hikoshima Smelting Co., Ltd.	Aug. 29-30
Mitsui Kinzoku ACT Corporation, Kyusyu Plant	Sept. 6
Mitsui Kinzoku ACT, Monozukuri Technical Center	Sept. 14
Yoshinogawa Electric Wire & Cable Co., Ltd.	Sept. 19-20
Mitsui Grinding Wheel Co., Ltd.	Oct. 3-4
Mitsui Kinzoku Die-Casting Technology Co., Ltd.	Oct. 11-12
Kamioka Mining and Smelting Co., Ltd.	Oct. 17-18
Mitsui Kinzoku Instrumentations Technology Corporation	Oct. 17
Mitsui Sumitomo Metal Mining Brass & Copper Co., Ltd.	Oct. 23-26
Hachinohe Smelting Co., Ltd.	Nov. 7-8
Takehara Refinery	Nov. 27-28
Kamioka Components Co., Ltd.	Dec. 4-6
Nihon Mesalite Industry Co., Ltd.	Dec. 14

### Environment-related laws workshops (FY 2017)

[Site]	[Date]	[Participants]
Hikoshima Smelting Co., Ltd.	Jul. 21	10
Takehara Refinery	Aug. 4	15
Ageo training center	Sept. 26	14
Kamioka Mining & Smelting Co., Ltd.	Oct. 13	15
Miike Office	Nov. 10	9

### Environmental seminars in rank-based training (FY 2017)

[Target]	[Date]	[Participants]
New employees	Apr. 24	48
Employees in the third year	Jul. 13	47
New employees (Follow-up)	Oct. 11	47
General officers(1)	Nov. 7	23
General officers(2)	Nov. 28	22
General officers(3)	Jan. 30	28

### Environmental law seminars (FY 2017)

[Target]	[Date]	[Participants]
Person in charge of environmental	March 7, 2017	26

### Environmental e-Learning course (FY 2017)

[Target]	[Term]	[Participants]
Newly-appointed person	October 2017 - March 2018	5

\* 3 participants have already completed the course by the end of the fiscal year.

### Environmental training in overseas sites (FY 2017)

[Sites]	[Participants]
Shanghai Mitsui Xin Yun Precious and Rare Metal Recycle Co., Ltd.	65
Compania Minera Santa Luisa S.A.	774
Mitsui Kinzoku Catalysts Zhuhai Co., Ltd.	74
PT. Mitsui Kinzoku Catalysts Jakarta	57
Mitsui Kinzoku Catalysis (Thailand) Co., Ltd.	41
Mitsui Kinzoku Catalysts Vietnam Co., Ltd.	48
Mitsui Kinzoku Catalysts America Inc.	20
Taiwan Copper Foil Co., Ltd.	370
Mitsui Copper Foil (Malaysia) Sdn. Bhd.	105
Oak-Mitsui, Inc.	73
Mitsui Copper Foil (Suzhou) Co., Ltd.	11
Mitsui Electronic Materials Co., Ltd.	71
Mitsui Kinzoku Advanced Ceramics (Suzhou) Co., Ltd.	27
Mitsui Grinding Technology (Thailand) Co.,Ltd.	245
GECOM Corporation	74
Mitsui Components Europe Ltd.	122
Mitsui Kinzoku ACT Mexicana	600
Mitsui Siam Components Co., Ltd.	271
PT. MITSUI KINZOKU ACT INDONESIA	5
Mitsui Components Guangdong Co., Ltd.	472
Henan Ohi Xing Guang Autoparts Manufacturing Co., Ltd.	63
Wuxi Dachong Industry	600

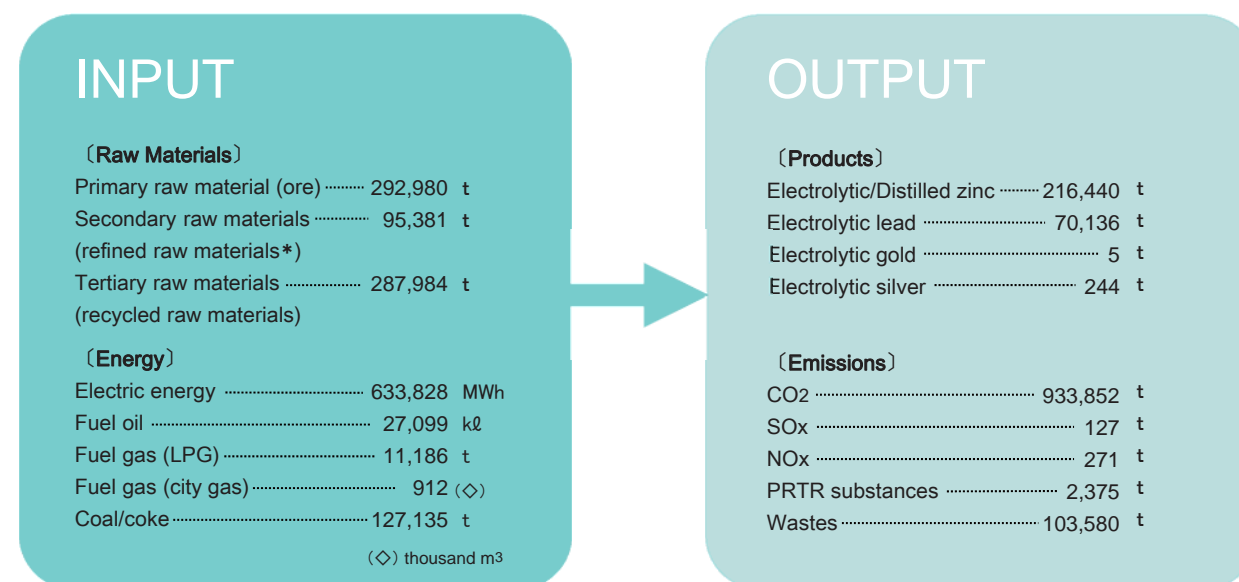
In fiscal 2017, a total of 4,188 people participated in environmental training held at 22 overseas production sites. It is provided according to the needs of each site, and includes "ISO 14001 Basic," "Environmental law training," "Handling of chemical substances," "Internal audit training" and "Waste separation training."

### Overall environmental adverse impacts in the smelting business (※)

In fiscal 2017, Mitsui Kinzoku Group emitted 1,351 kilo tons of CO2 from fuel combustion through its business in Japan, of which the smelting business makes up more than 70%. Accordingly, we have compiled raw materials and energy (input) as well as products and emissions (output) in the smelting business. The smelting business requires massive electricity.

The Group works to contribute to resource recycling society by reducing its energy consumption and promoting recycle-smelting.

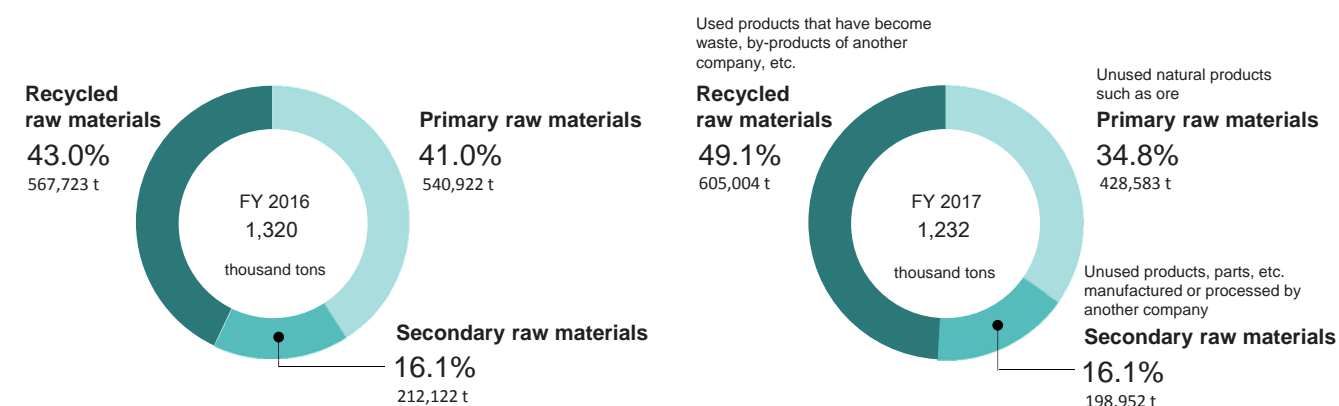
(※) The scope covers four manufacturing sites: Hachinohe Smelting Co., Ltd., Kamioka Mining and Smelting Co., Ltd., Hikoshima Smelting Co., Ltd., and Takehara Refinery. We have started to gather environment-related information on businesses other than the smelting business, including overseas sites. For CO2 emissions, the figures for the overseas sites are added to the results from FY 2017 (see page 57).



\* Unused products, parts, etc. manufactured or processed by another company or process.

### Use of recycled raw materials

Mitsui Kinzoku Group is working on the recycling of waste to contribute to the sustainability of society by using resources as effectively as possible. In FY 2017, the use of recycled raw materials exceeded its use of natural resources such as ore. In Japan, recycled materials account for 46.7% of the raw materials used in smelting and materials segment and 55.5% of the raw materials used in other business segments. The share for our group, as a whole, including overseas affiliates, is 71.3%. The ratio of recycled raw materials is higher than in the previous fiscal year in all segments.



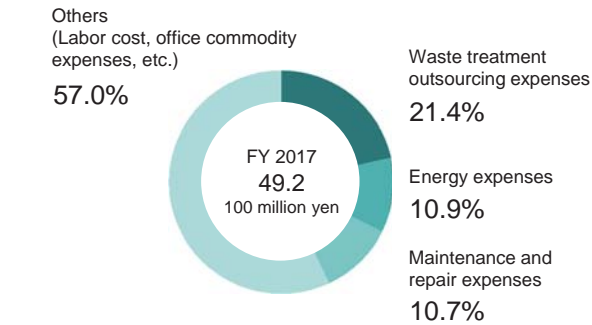
Breakdown of usage by type of raw material

### Investment and expenses for environmental management

Every year we invest in environmental conservation activities and we are steadily reducing our environmental impact.

We make efficient environmental investments, taking into account their cost effectiveness. Environmental expenses in FY 2017 were 4,920 million yen, an increase of 16.5% year on year. Environmental investments totaled 3,940 million yen, an decrease of 25.2% year on year.

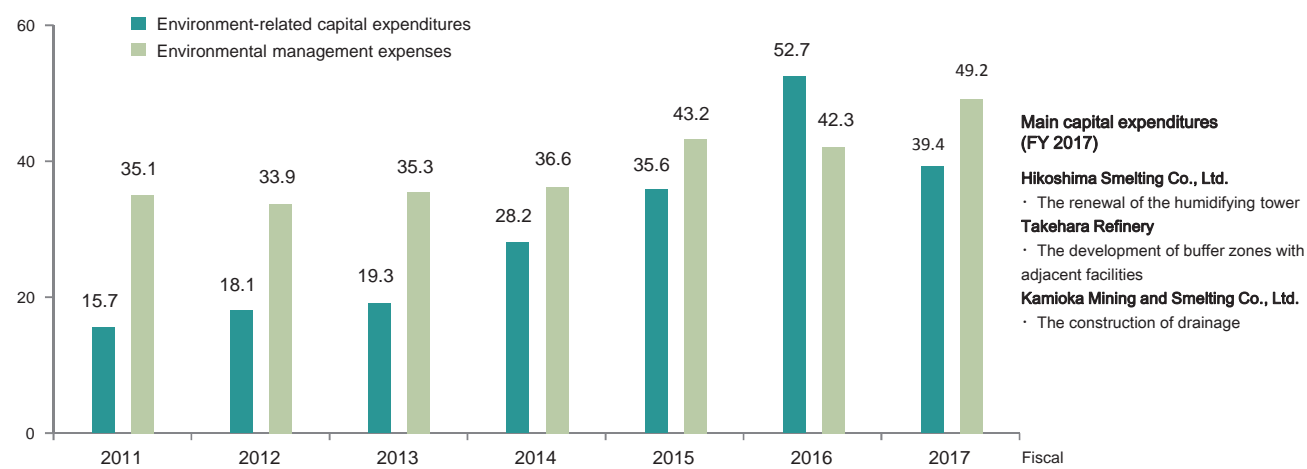
Major investments we made in FY 2017 included the renewal of the humidifying tower at Hikoshima Smelting, the development of buffer zones with adjacent facilities at Takehara Refinery and the construction work of drainage at Kamioka Mining and Smelting. We make environment-related investments at a total of 30 sites in Japan and of affiliated companies, mainly at smelting facilities.



Break down of environmental management expenses

### Trends in environment-related capital expenditures and environmental management expenses

(Hundred million yen)

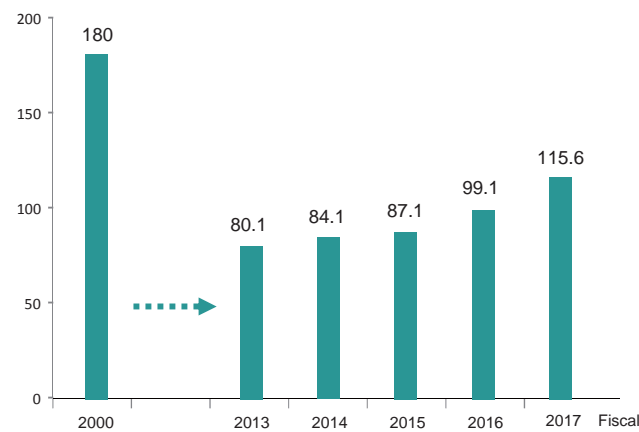


### Reduce waste

We are constantly working to reduce waste through efforts to develop the process of reuse and recycle wastes in such a way as crushing waste flexible containers for use as a heat source.

In the Environmental Action Plan formulated in 2001 and revised in April this year, we set a target waste generation rate (the amount of waste generation excluding waste to be reused and recycled/net sales) at each business location.

In FY 2017, the amount of waste generation rose 16.6% from the previous fiscal year, to 115.6 tons, due to the effect of new undertakings and an increase in the amount of production. However, the waste generation rate declined about 2%. We are preparing to disclose the waste generation rate and reduction at overseas sites in the CSR Report for the next fiscal year.

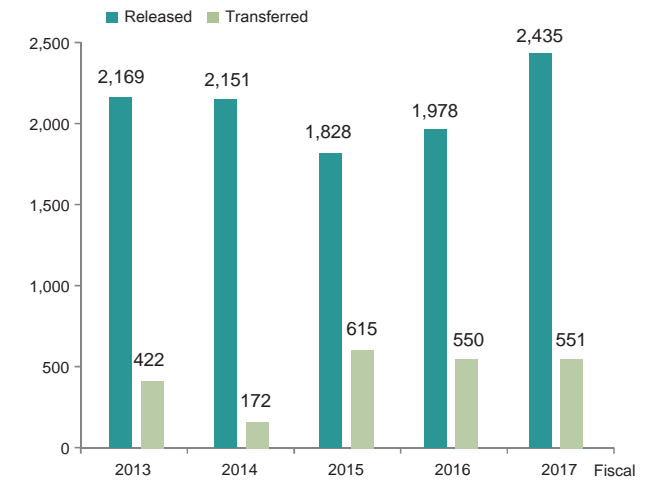


Amount of waste generation in Japan (Thousand tons/year)

### Reduce emissions of chemical substances

Each manufacturing site of the Group files the release and the transfer amount of chemical substances to the government under the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (Law concerning Pollutant Release and Transfer Register [PRTR]). The management of hazardous chemical substances contained in products has become an essential requirement. We also respond to the guidelines for chemical substances contained in products, such as the RoHS Directive and the REACH regulations required by customers.

Mitsui Kinzoku Group continuously strives to collect and replace chemical substances that may cause environmental pollution. Thus we focus to reduce or remove use of such chemical substances from our products.



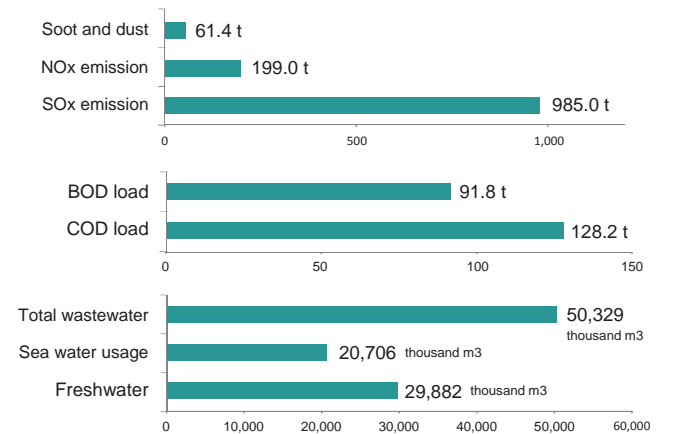
Volume of chemical substances released and transferred (tons/year)

### Prevent air pollution and water pollution

Every manufacturing site of Mitsui Kinzoku Group monitors the following in accordance with laws, regulations and ordinances and voluntary standards.

Sulfur oxide (SOx) emissions produced on the combustion of fossil fuels containing sulfur, nitrogen oxide (NOx) emissions from boilers, incinerators and other combustion equipment, and particulate matter, as well as water quality including BOD and COD which indicate the level of organic material in wastewater. Starting from FY2017, we are gathering the monitoring results of each business site across the entire Group.

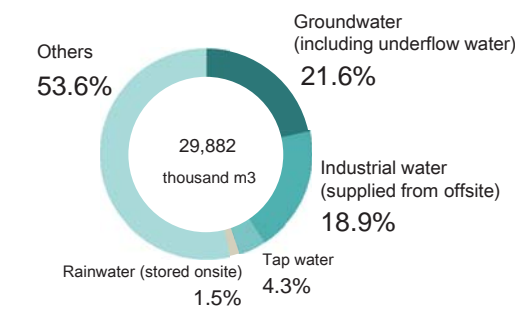
\* The accuracy of figures for some overseas sites cannot be fully verified and are therefore omitted from this report.



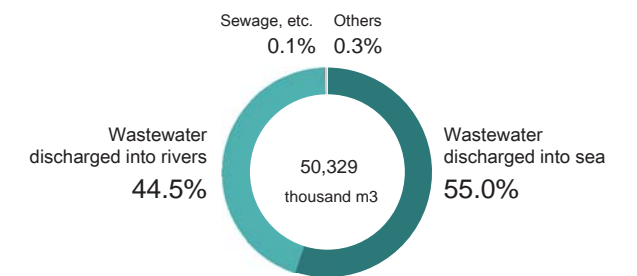
### Emissions to the atmosphere and water in Japan (FY 2017)

\* Because it has become clear that there was an error in the figures for NOx and SOx emissions in this graph last year, we have revised them.

[Emissions in FY 2016] NOx 988.3t SOx 254.3t



Breakdown of freshwater use (FY 2017)



Breakdown of wastewater (FY 2017)

# Efforts to prevent global warming

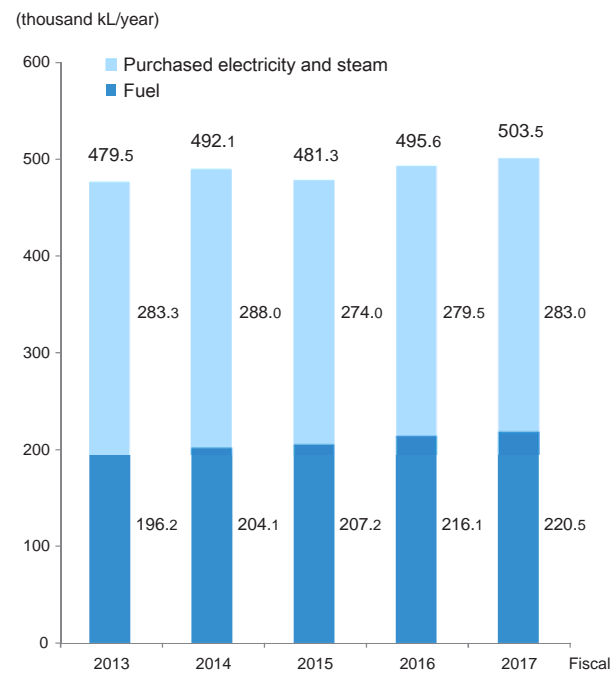
**We have been striving to save energy and reduce greenhouse gases at our production sites. We have set a new target of reducing CO2 emissions by 7%\* in the Group by FY 2030 in conjunction with the rapid progress of countermeasures against climate change. We will take steady steps toward a sustainable low-carbon society.**

\* The benchmark is the figures for FY 2013.

## Save energy and reduce CO2 emissions

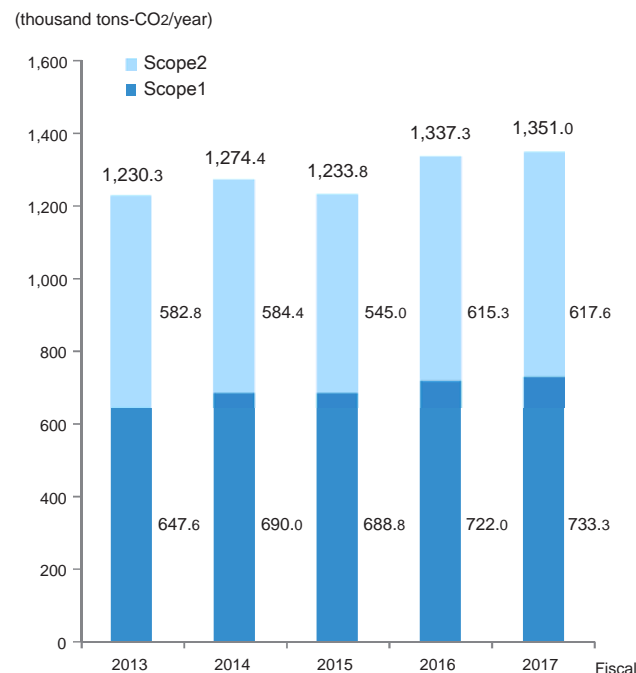
Mitsui Kinzoku Group has set a reduction target for the energy consumption rate (crude oil equivalent energy consumption/net sales). We are executing a specific reduction plan. The crude oil equivalent energy used by the overall Group has declined since its peak in FY 2007. However, the energy volume increased for the last two years, affected by business segments that increased production. It rose 1.7% year on year, to 503.5 thousand kiloliters per year, in FY 2017. In FY 2017, the CO2 emissions from energy consumption

in Japan of Mitsui Kinzoku Group as a whole rose by 1.0% year on year, to 1,351.0 thousand tons-CO2 per year. In the medium and long term, the CO2 emissions from fuel combustion increased by about 17.0% from FY 1990, the base year of the Kyoto Protocol, due to the expansion of production in the smelting segment and changes in the power generation mix of the electric power companies. We will strive to reduce CO2 emissions further through the efficient use of electric power and coke at the manufacturing sites.



Total energy consumption volume in a crude oil equivalent

\* Covers only the sites of Mitsui Kinzoku and affiliates in Japan

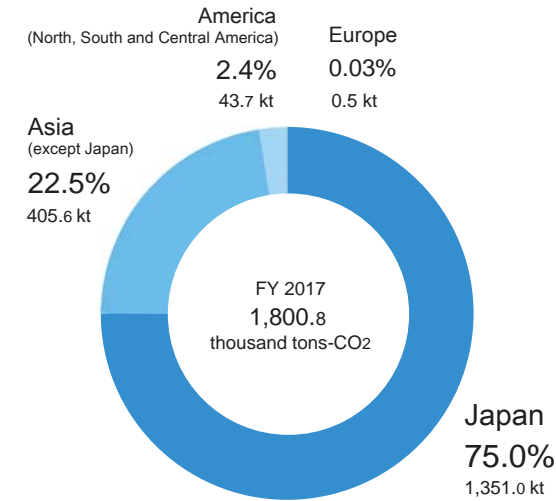


CO2 emissions from energy consumption

\* Covers only the sites of Mitsui Kinzoku and affiliates in Japan

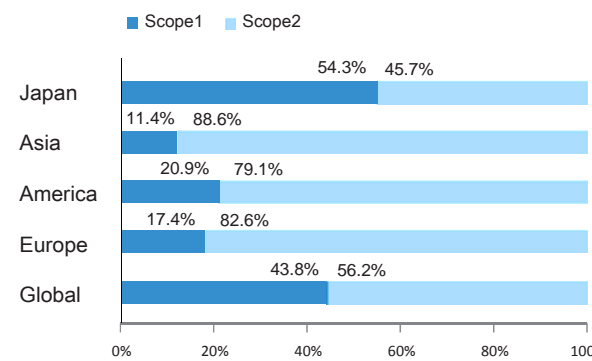
\* For the calculation of CO2 emissions from energy consumption, the respective emission factors based on the Act on Promotion of Global Warming Countermeasures are used.

\* We have received a third-party assurance for the figures for FY 2017 in this information to which is attached.

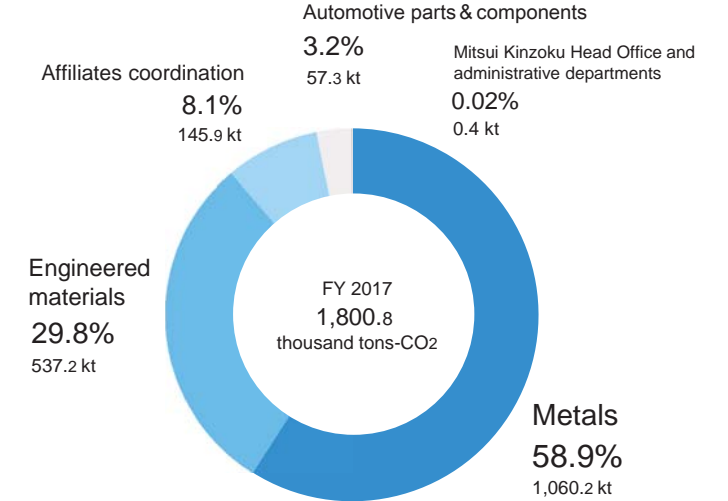


Breakdown of CO2 emissions of Mitsui Kinzoku Group by region

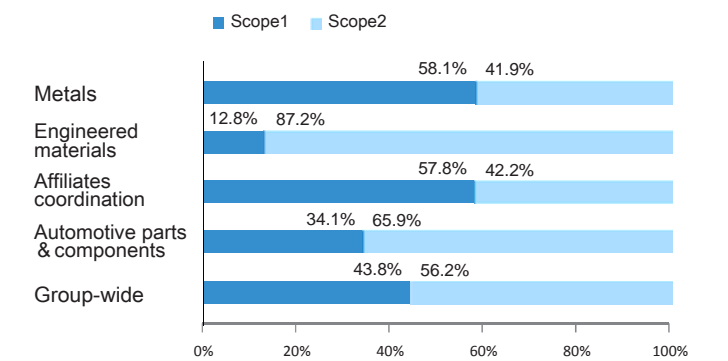
\* For the calculation of CO2 emissions of purchased electricity, we use emission factors by electric power supplier in Japan and emission factors by country and region based on The Greenhouse Gas Protocol at overseas sites.



Breakdown by scope of CO2 emissions by region



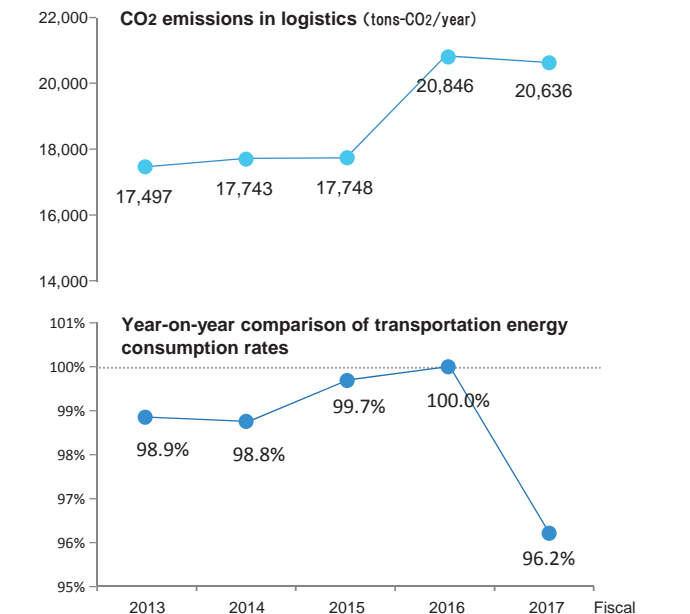
Breakdown of CO2 emissions of Mitsui Kinzoku Group by business unit



Breakdown by scope of CO2 emissions by business unit

## Reduce energy consumption in logistics

Mitsui Kinzoku Group strives to reduce the use of transportation fuel and CO2 emissions. We are striving to improve the loading ratio at the time of transportation and shorten transportation routes and promote a modal shift from trucks to railways and ships. We are also working to reduce transportation fuels and CO2 by negotiating the form and frequency of delivery with customers and suppliers. We have continued to achieve a year-on-year reduction since FY 2012, and the average rate of change in energy consumption per unit in the five most recent years is 98.6%. In FY 2017, energy consumption per unit improved 3.8% due to the return to normal operation at some plants where production efficiency had declined in the previous fiscal year and an improvement in the loading ratio overall.



\* Non-consolidated values for Mitsui Kinzoku are reported annually to the Ministry of Economy, Trade and Industry.  
\* Energy basic unit = Energy consumption (crude oil equivalent) / ton-kilometer (t-km)

**Creation of renewable energy**

While fossil fuels such as oils and coal are limited energy resources, types of energy such as solar light, solar heat, water power, wind power and geothermal heat are non-exhaustible. These types of energy also emit almost no CO<sub>2</sub>, which causes global warming, at the time of power generation and thermal usage.

We will strengthen our response to climate change in the entire group by advancing the use of renewable energy globally.

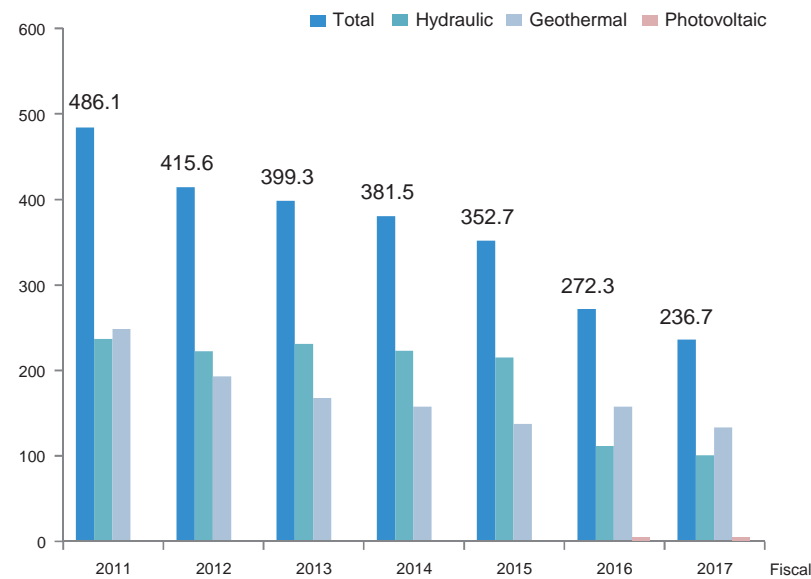
Mitsui Kinzoku Group will further expand the use of renewable energy as clean energy in place of fossil fuels. Kamioka Mining and Smelting Co., Ltd. has 10 hydroelectric power plants. The earliest one began operating in 1917. Now those plants are under renewal construction in order. The total hydroelectric output will be around 40,000 kW after all renewal have been completed. Hikoshima Smelting Co., Ltd. has started the solar PV which outputs around 2 MW (megawatts) since March 2016.

**Energy-Saving Committee**

We have an Energy-Saving Committee which promotes the reduction of energy consumption and the reduction of greenhouse gas emissions at manufacturing sites in Japan. The chair is nominated by the President from among the Directors and take on responsibility as the Energy Management Administrator.

The Energy-Saving Committee sets goals for the rationalization of energy consumption and checks the progress of activities at each business location. It also plans measures to save energy and reduce CO<sub>2</sub> emissions such as the adoption of energy-saving equipment, improvement in the in-house generation rate, and effective use of renewable energy and waste heat.

We will proceed these activities including overseas bases, and strengthen our response to climate change throughout the entire group.



**Total power generation using renewable energy (GWh)**

※ Includes power consumed in house as well as power supplied to utilities.  
 ※ Includes domestic sites as well as overseas sites which generate their own power.



**Kamioka Mining and Smelting Co., Ltd.**

The Kanakido power plant, which had made a contribution as a private power generation facility for about 60 years since 1953, has been recently renovated.

Kamioka Mining and Smelting has been proceeding with the large-scale renovation of five aging hydroelectric power plants since June 2015. To mark the first completed renovation, the completion ceremony of the Kanakido power plant was held in September 2017.

At the ceremony, which took place in Kamioka, associated individuals in a number of companies and government offices and local residents who were committed to the project gathered to celebrate the completion of the power plant without any accidents by holding a Shinto ritual, a start-up ceremony and a celebratory gathering.

The Kanakido hydroelectric power plant, which takes advantage of the rich nature in Kamioka and water, will be an important supply source of renewable energy.



Okuaizu Geothermal Co., Ltd. has supplied geothermal heat to Yanaizu-Nishiyama Geothermal Power Plant of Tohoku Electric Power Co., Inc. since the operation start in May 1995. As a single unit of geothermal power generation, it has largest output of 65,000 kW in Japan.



Hikoshima Smelting Co., Ltd. has started solar PV which outputs around 2 MW (megawatts) since March 2016. The generation capacity is expected about 2,500,000 kWh annually which is to be covered annual electricity consumption for about 670 households

# Preserve the natural environment

Mining mineral ore, which is a natural resource, and changing it to non-ferrous metal materials that are useful for industries and society are activities that we have been conducting for many years. We understand that these activities will work out only if we consider the environment and care about nature.

## Management of suspended and closed mines

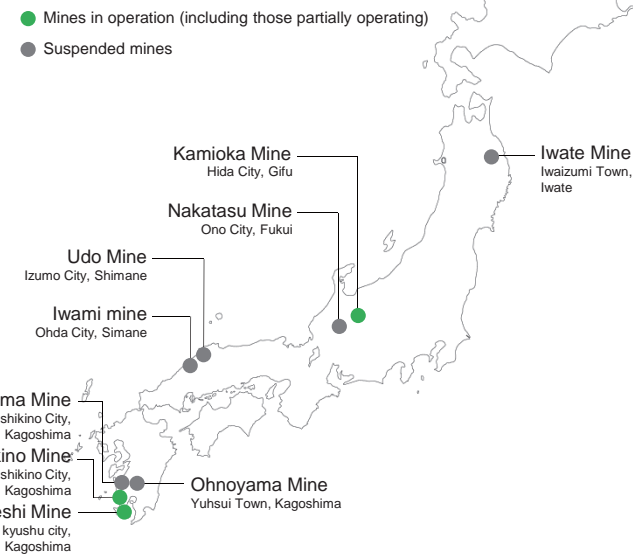
Mitsui Kinzoku has its origins in the commencement of mine operations in the Kamioka area by the Mitsui Clan in 1874. We have been developing and operating mines in different parts of Japan for the stable supply of underground resources.

Currently, many of these mines have already been suspended and closed due to the depletion of resources and the increase in overseas procurement. In the suspended and closed mines, management needs to be continued to prevent mine pollution.

We are taking various measures to prevent mine pollution, such as keeping tailings dams where slag generated from ore mining has accumulated safe, keeping the quality of waste water from the pit mouths and tailings dams, regularly conducting inspection tours and the checking of managed sites for the above purposes, monitoring water quality in neighboring areas, and purifying water quality at the pit waste-water treatment facilities.

We have drawn the following conclusion from a stability analysis of tailings dams we conducted against large-scale earthquake vibrations: the risk of collapse and the possibility of the occurrence of disaster downstream are extremely low, even if a large-scale earthquake occurs.

Mines that are in operation and suspended in Japan



Contact of rainwater seeping underground with ore may generate acid water containing heavy metals. Therefore, it is necessary to monitor water from surrounding springs even at suspended and closed mines continually.



We patrol suspended and closed mines on a regular basis. If we find a new caved-in hole, it will be plugged or enclosed by fences to prevent people from falling. There are numerous aspects to check to see whether closed pits are solidly closed, whether drain channels are working well and whether water is springing from a closed mine.



In environmental audits, we check the management status of suspended and closed mines along with detailed audit items. The impact on neighboring water areas such as rivers is also an important audit item.



At old tailing dams, we check whether slag flows out, whether the sites are managed well, and whether they have an impact on the surrounding environment.



At the Huanzala Mine, trees are raised from seedlings and planted on the premises in view of greening. Local residents, as well as the employees, take part. The picture above shows fences being built to prevent animals from entering and eating the greenery.

The surrounding environment is monitored without fail. The wastewater discharged from areas of operation as well as natural water, water table and drinking water are regularly analyzed and managed (bottom right picture).



#### Environmental measures at Huanzala mine

To stably supply non-ferrous metals, Mitsui Kinzoku has been exploring and developing mines around the world. The Huanzala Mine is located at an altitude of around 4,000 meters in the Andes Mountains. Mitsui Kinzoku has improved the infrastructure in neighboring areas, protected the natural environment and built relationship with local communities.

Peru, in South America, is one of the largest mineral resource-producing countries in the world. Since 1968, Mitsui Kinzoku has been operating the Huanzala Mine in Ancash located middle of Peru. Since its founding, we've supplied concentrated minerals to Peru as well as to Japan for nearly half century.

Compania Minera Santa Luisa S.A. operates the Huanzala Mine, has been pursuing a number of environmental initiatives over many years. We neutralize acid water generated from the mine and promote the recycling of waste water for ore processing. We constantly monitor the stability of tailings dams and install a dust collection system at mills. In addition, we purify living drainage. We also sort and collect waste, and waste that cannot be used effectively is duly outsourced to processors for disposal. We are currently transferring the water-purifier tank to a new facility to improve the processing efficiency.

The company also works on tree planting on the premises. The Huanzala Mine was the first mine at which PAMA\*, enacted in 1997 in Peru, was applied. Currently, the mine is also facilitating a transition from the 2014 version to the 2015 version of ISO 14001, in addition to PAMA.

\* PAMA = Programa de Adecuación y Manejo Ambiental (the Environmental Adjustment and Management Program)

#### Support for local communities

Compania Minera Santa Luisa S.A. has also been consistently striving to support local communities, aiming to coexist and prosper together with them based on a relationship of trust.

The company supplies electricity from the in-house hydraulic power plant to Huallanca, a local town, free of charge. It has also built a school, donated school supplies and equipment such as computers and books, built cultural facilities, improved the infrastructure in the town such as streets and water and sewerage systems, and provided medical support. It has also provided guidance on agricultural and animal production technology. The company shares information on mine operations with local residents in the committee the company has established and offers support under an agreement with them.

#### Mine closure plan to minimize the impact on the environment

In the mining business, some mining sites draw up a closure plan for the entire site or certain facilities and accumulate expenses for closure from the development stage to minimize the impact and risk after closure. They also carry out some closure work ahead of the plan.

Mine	With or without a closure plan	Amount of accumulated expenses (FY 2017)
Huanzala Mine (Peru)	existence	7.0 million US dollars
Palka Mine (Peru)	existence	2.0 million US dollars
Akeshi Mine (Kagoshima, Japan)	naught	243.4 million yen

**We recognize that environmental conservation and occupational health and safety are essential to sustainability. Our constant efforts to make improvements in these areas also help fulfill the UN Sustainable Development Goals (SDGs).**

Mitsui Kinzoku got its start in mining and smelting. While expanding our business, we have always recognized the significant impact of our business activities on the environment and the importance of our responsibility to environmental issues. Environmental conservation is one of the highest priority issues in our business management.

In particular, to achieve harmonious coexistence between our business sites and local communities, we place an emphasis on preventing environmental pollution. Our efforts regarding this matter include improvement of our environmental management system and implementation of regular environmental audits. We also provide all employees with environmental education.

To protect the surrounding environment, we take proactive measures, from a global perspective, to save energy and reduce CO<sub>2</sub> emissions and waste. We also promote the effective use of resources in the recycle-smelting business and place emphasis on generating renewable energy using hydropower, sunlight, and geothermal heat.

We recognize it is also our responsibility as a manufacturer to ensure the safety and health of all employees. Our basic rule is to identify sources of risks and prevent easy contact with them. Based on this rule, our priority is on ensuring fundamental safety at all worksites, including by the removal of equipment without sufficient safety measures. Employees are strictly required to comply with safety regulations. We provide them with education on occupational health and safety, as well as with on-site instructions, to help them increase their risk sensitivity.

In FY 2018, we revised our Environmental Action Plan. All the goals were reviewed and specific goals were additionally set to address environmental issues such as reduction in CO<sub>2</sub> emissions so that we can achieve the SDGs and other international commitments.

We are currently developing the medium-term management plan that will be effective in FY 2019. This plan will be designed with emphasis on corporate social responsibilities. We are sure that the plan will be viable and effective in addressing climate change, using resources more effectively, and solving other pressing global issues.

Information on the progress of each project and the newly developed medium-term management plan will be provided to stakeholders in the annual CSR report.

#### Isshi Hisaoka

Director, Senior Executive Officer,  
Chief Environmental Safety Officer





# Strong, transparent and trusted partnerships

**Collaboration with our suppliers enables us to supply steadily high-quality products and services to our customers. Responsible and resilient supply chains create value for us and our customers by reducing supply chain risks and improving our performance.**

### Supply Chain Sustainability

Economic activity has become increasingly globalized. The business activities of Mitsui Kinzoku Group have likewise expanded on a global scale to include suppliers and customers throughout the world. As a result, the impact of the Group's business on its supply chain has also expanded beyond national borders. In line with this globalized landscape, we need to expand our activities for sustainability to cover the entire supply chain. We recognize that customers expect supply chains to meet a certain level of environmental and social responsibility.

Mitsui Kinzoku Group strives to develop sustainability in its supply chain in response to requests and expectations from customers and other stakeholders.

### Procurement Policy

In April 2018, we established the procurement policy that advocates for supply chain sustainability. We require supply chain members to pursue sound business management, improvement of technical competence, excellent quality, price competitiveness and stable supply (appropriate delivery). The policy also clearly states we encourage supply chain sustainability by ensuring supply chain responsibility in the fields of human rights and labor practices, health and safety, ethics, and the environment.

Firstly, Mitsui Kinzoku Group believes that the principle of procurement transactions is to comply with laws, regulations, social norms, and the corporate code of ethics. With regard to compliance with the Antimonopoly Act and the Subcontract Act, in particular, we protect free and fair competition in procurement transactions in accordance with Article 4 of the Code of Conduct, which defines "fair business practices." In 2014, we issued the Compliance Guidebook on the Antimonopoly Act, which has been distributed to the Group's companies. In addition, we implement seminars and other programs on fair trade. Our efforts are also focused on promoting fair subcontracting practices and protecting subcontractors' interests. In transactions with suppliers governed by the Subcontract Act, it is essential to observe legal requirements and avoid prohibited activities.

Secondly, in procurement transactions, we drive to ensure supply chain responsibility in the fields of human rights and labor practices, health and safety, ethics, and the environment. In particular, in order to promote the responsible minerals sourcing, proactive measures are taken to eliminate human rights abuses, including child labor and forced labor in our supply chain. In addition, we do not tolerate any bribery or corruption in procurement and support the requirements of international initiatives and guidelines.

Thirdly, we develop criteria for supplier selection which include the aspects of corporate responsibility such as human rights and labor practices, health and safety, ethics, and the environment. These criteria are also applied to both deciding new supplier and judging continuance of current business relationships.

### Application of the Procurement Guidelines

Mitsui Kinzoku Group is engaged in its supply chain responsibility based on the Basic Procurement Policy and following internationally recognized rules and guidelines, such as the United Nations Global Compact. In particular, we implement supply chain management in line with the approach of the RBA (Responsible Business Alliance) Code of Conduct to address risks in supply chain.

We established the Mitsui Kinzoku Group Procurement Guidelines based on the RBA Code of Conduct. The Group as well as suppliers are all required to observe the guidelines in procurement transactions.

[The Mitsui Kinzoku Group Procurement Guidelines]

[https://www.mitsui-kinzoku.co.jp/wp-content/uploads/supplychain\\_guideline\\_e.pdf](https://www.mitsui-kinzoku.co.jp/wp-content/uploads/supplychain_guideline_e.pdf)

## Mitsui Kinzoku Group Procurement Policy

Mitsui Kinzoku Group operates sustainable supply chain that are in accordance with its Code of Conduct so as to "contribute to society by providing valuable products" as defined in the Management Philosophy. Through fulfilling our supply chain responsibility based on mutual understanding and trust with suppliers, we work to achieve mutual development and growth with suppliers.

1. We comply with laws, regulations, social norms, and the corporate code of ethics in procurement.
2. We require suppliers' sound business operating bases, improvement of technical competence, excellent quality, price competitiveness, and stable supply, as well as promote supply chain responsibility in the fields of human rights and labor practices, health and safety, ethics, and the environment. We are not complicit directly or indirectly in human rights abuses, including child labor and forced labor. We conduct procurement based on transparent and fair competition and work against corruption in all its forms.
3. In selecting suppliers, we make a comprehensive assessment to ensure supply chain responsibility in the fields of human rights and labor practices, health and safety, ethics, and the environment. In actual transactions, we, in cooperation with suppliers, work on responsible procurement in these fields. In deciding whether to continue business relationships, we place priority on supply chain responsibility.

→ Addressing the issue of conflict minerals 「Mitsui Kinzoku Group Conflict Minerals Policy」

### Supply chain structure

The structure of supply chain can be specified as follows:

- ¶ Mineral extraction from mines
- ¶ Procurement and smelting of mine-derived materials
- ¶ Procurement of waste-derived recycled materials from recycling agents and smelting of procured materials
- ¶ Procurement and processing of materials and parts

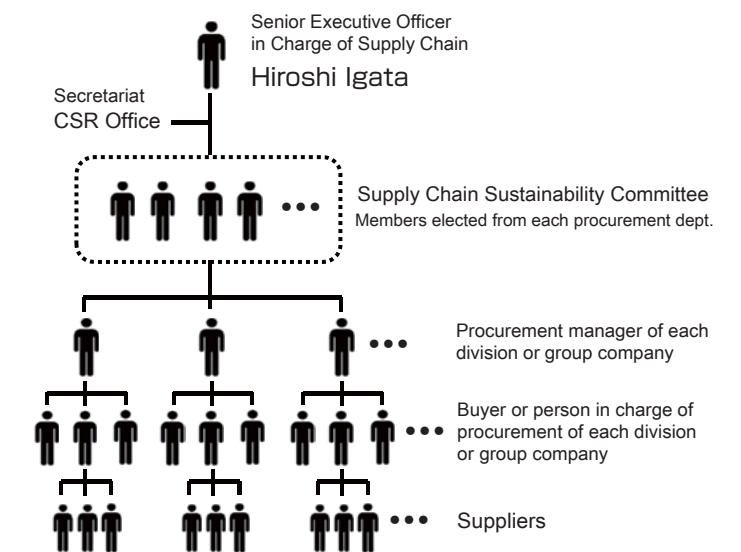
In FY 2017, no major change was made in the structure.

[Annual amount of procurement, including services]  
¥ 417,796 million  
(Consolidated cost of sales for FY 2017)

### Supply chain management system

We established the supply chain management system to implement the procurement policy. In June 2018, the supply chain sustainability committee, consisting of members selected from each department to serve as procurement managers, was formed.

### [Organization of the Supply Chain Management]



# Responsible Minerals Sourcing



Mitsui Kinzoku ACT Corporation (Mitsui Kinzoku ACT) holds regular explanatory meetings to which it invites suppliers as part of its engagement activities. The photo below shows the meeting held to provide suppliers in Japan with an explanation of the procurement policy. ( March 2018, Yokohama )



With regard to the scope of responsible minerals sourcing, concerned minerals and risks have been expanded in recent years. Mitsui Kinzoku Group adopts the process in line with globally recognized frameworks to promote responsible minerals sourcing that takes into account social and environmental responsibility including compliance and human rights protection.

### Addressing concerns about conflict minerals

As a member of the global supply chain, Mitsui Kinzoku Group responds to the social requirement of responsible minerals sourcing. We promote responsible mineral sourcing taking human rights and compliance into consideration and address supply chain sustainability.

Conflict minerals (gold, tin, tantalum, and tungsten) produced in the Democratic Republic of the Congo (DRC) and the nine adjoining countries could be partially the source of funds for armed groups who violate human rights and engage in acts of violence. Mitsui Kinzoku Group, in its Conflict Minerals Policy, prohibits the use of conflict minerals that were produced in the covered countries and directly or indirectly bring profits to armed groups. As a company that forms part of the supply chain of conflict minerals, we cooperate in customers' due diligence, which traces back through the supply chain, in accordance with industrial standards. In addition, each department engaged in smelting conflict minerals develops its own policy and has been validated as RMAP (Responsible Minerals Assurance Process) conformant smelter every year.

### Engineered Materials Sector (Tantalum smelting)

As a tantalum smelter, the Engineered Powders Division has undergone an annual third-party audit since 2011 based on the RMAP program\*1 and has been validated as RMAP conformant smelter. The Tantalum Procurement Policy has been published and prohibits the purchase of tantalum minerals which were excavated in covered countries and bring profits to armed groups. The division joins ITSCI Program in order to fulfill due diligence for its mineral supply chain. The due diligence process is implemented with the understanding and cooperation of suppliers. The division ensures its responsible tantalum sourcing.

### Metals Sector (Gold and silver smelting)

As a gold smelter, the Mineral Resources Division takes appropriate measures to address the conflict mineral issue. The division has established a supply chain due diligence system in accordance with the LBMA\*2 Guidance. In order to eliminate use of gold and silver minerals associated with conflicts and human rights abuse, the division strives to identify the origin of raw materials and distribution routes.

The division undergoes an annual audit by a third-party auditor and files audit results to the LBMA. The Gold and Silver Supply Chain Policy, which was revised to include silver in its scope in 2018, along with the auditor's certificate and files to the LBMA are available to the public. The revised LBMA Guidance also requires a grievance mechanism that is available to external stakeholders and allows anonymous reporting. In response to this requirement, the CSR Inquiry Line has been set up on the website of Mitsui Kinzoku Group.

\*1 **RMAP** ( Responsible Minerals Assurance Process )

A program developed by the Responsible Minerals Initiative (RMI), a subsidiary body of the Responsible Business Alliance (RBA), which is an industry group mainly consisting of members of the electronic industry. The RMAP, formerly Conflict-Free Smelter Program (CFSP), has developed its standard of conformant smelter to cover not only the Democratic Republic of the Congo (DRC) and the adjoining countries but also conflict-affected or high-risk areas.

\*2 **LBMA**

The London Bullion Market Association is an international trade association, LBMA has set up the LBMA Responsible Gold/Silver Guidance for LBMA accredited smelters and requires systematic and worldwide compliance in order to combat abuses of human rights, funding of conflicts and money laundering.

### Supplier engagement

Mitsui Kinzoku ACT plays a central role in our automotive parts business, which is one of the most globally expanded business sections in Mitsui Kinzoku Group.

For Mitsui Kinzoku ACT, which aims to be the world's leading company in door latch production, it is essential to pursue the best possible quality and competitive prices on a daily basis. In this regard, the company must cooperate with suppliers.

Each business unit in each business area around the world holds regular meetings to which suppliers are invited in order to provide an explanation of the business policy and the procurement policy. These meetings also serve as opportunities to share issues and concerns of suppliers as well as to explain CSR of Mitsui Kinzoku Group to deepen suppliers' understanding.

### Roadmap for initiatives in the supply chain

Mitsui Kinzoku Group classifies sustainability issues as material. Our approach to supply chain sustainability is promoted according to the following plan:

**FY 2020**  
Rate of implementation of a Self-Assessment Questionnaire (SAQ) to major suppliers 100%

#### [April 2018]

- Establishment of the procurement policy (Basic Procurement Policy and Guidelines)
- Establishment of the supply chain management system (Selection of the procurement manager for each department/site)

#### [FY 2018]

- Provision of information on the procurement policy to all Group companies
- Establishment of medium- to long-term goals for supply chain sustainability
- Provision of information on the procurement policy to all suppliers

#### [FY 2019]

- Implementation of a Self-Assessment Questionnaire (SAQ) to suppliers

# Intellectual property for business advantage

**Intellectual property is an essential part of business activities.  
We respect intellectual property rights and promote to acquire and to use them.**

### Our activities for intellectual property

Intellectual property (IP) is essential for Mitsui Kinzoku Group's business operations. We respect intellectual property rights and seek to acquire and use them. The President's Policy on Intellectual Property sets out the Group's philosophy as follows: "Based on our recognition of intellectual property as an important management resource, we will aim to maximize corporate value by using intellectual property to fully consolidate our "world-class manufacturing capability."

### Management structure

The organization of our IP operations consists of the Intellectual Property Department, specialist IP sections in our business units, and the IP staff of each division/group companies. The IP Department plans the Group's IP activities, provides support to divisions, centrally manages IP administrative tasks and provides IP training. The specialist IP sections of business units conduct the IP activities of their respective business units while the IP staff of divisions/group companies conduct IP activities in their own divisions respectively.

### Proper use of IP rights

When formulating our business strategies and R&D strategies, we first investigate the IP rights of other companies. By acquiring and protecting the IP of new products and new technologies, we obtain advantageous positions in our existing businesses and seek to create new businesses. We prevent from disputing any IP risks by promptly detecting and dealing with them and we take appropriate action to deal with infringements of our IP rights.

### Respect for IP as corporate culture

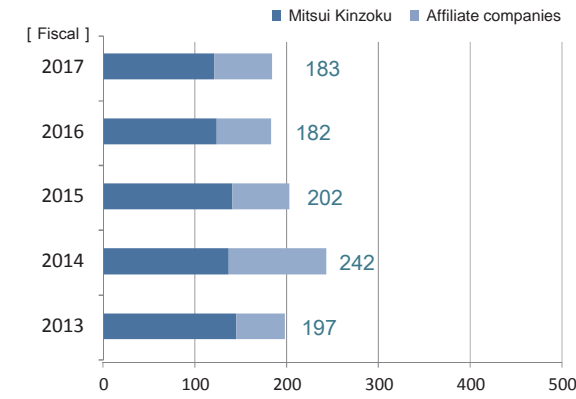
We aim to instill respect for intellectual property relating to inventions, designs, brands, etc. throughout the company and to establish this as part of our corporate culture. Intellectual Property Department provides beginner, intermediate and advanced training for employees mainly involved in R&D-related jobs to enhance employees' IP-related skills. It also provides individual training and training on specific themes according to the needs of each division.

### Inventions by employees

Mitsui Kinzoku has established and applies rules for handling inventions in accordance with the Patent Act in Japan to encourage inventions by employees. Rather than inventions by employees belonging to the company, inventors receive reasonable benefits for submission of IP after filing and wage of IP after granted.

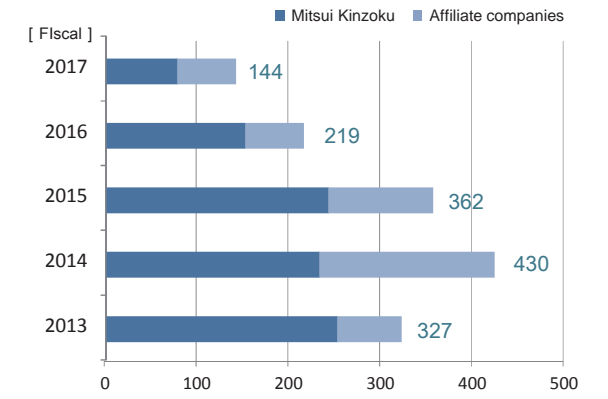
### 10-year vision

Our current Medium-Term Management Plan sets out a 10-year vision for IP operations of increasing the contribution of IP to business. We aim to strategically file applications to acquire IP rights and aggressive use of IP rights to establish ourselves as a company with strong IP.



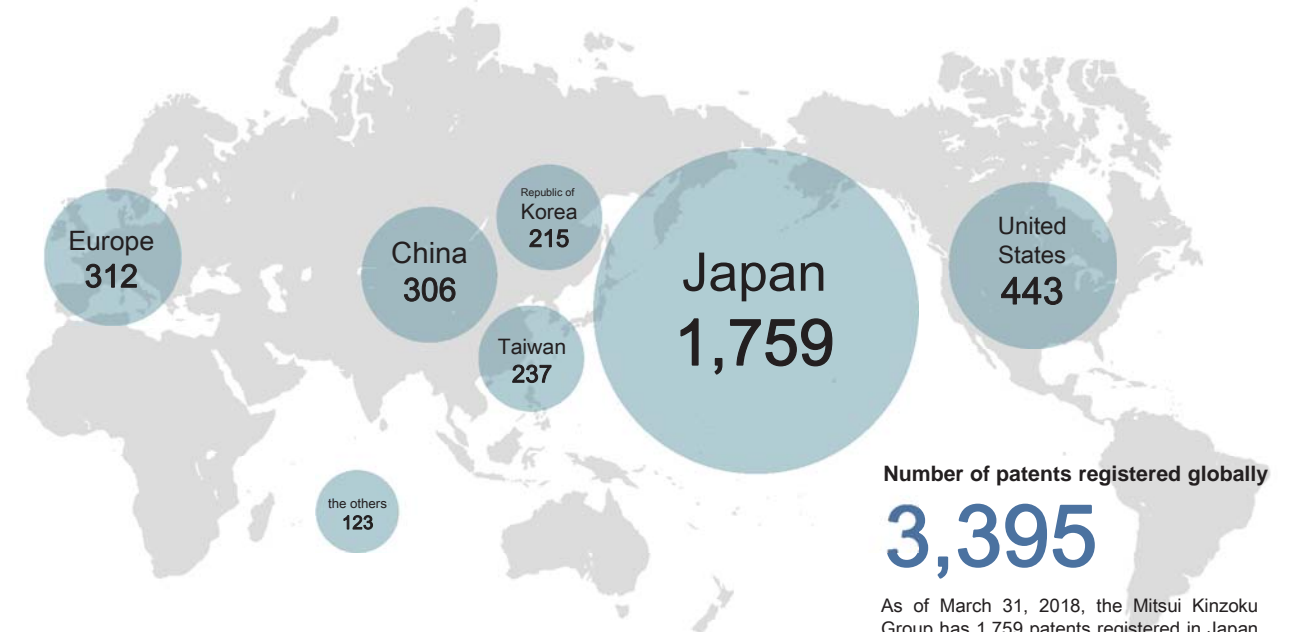
Number of Japanese patent applications

The total number of patent applications filed in Japan has trended down in recent years from the peak in FY 2014, but the applications filed by Mitsui Kinzoku have remained almost flat, ranging between 120 and 140. (Figures have changed from those disclosed last year because we have renewed the number of patent applications in prior years.)



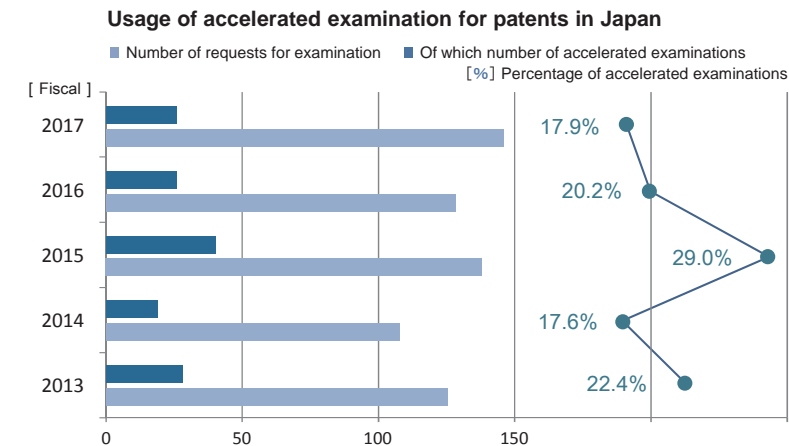
Number of foreign patent applications

The number of foreign patent applications filed by Mitsui Kinzoku is usually between 150 and 200, while it declined in the previous fiscal year. Recently, applications filed in China, South Korea and Taiwan accounts for around two-thirds of the total. (Figures have changed from those disclosed last year because we have renewed the number of patent applications in prior years.)



Number of patents registered globally  
**3,395**

As of March 31, 2018, the Mitsui Kinzoku Group has 1,759 patents registered in Japan and 1,637 registered overseas, bringing the total number of patents registered globally to 3,395. A breakdown of patents registered overseas by country/region shows that the U.S. accounts for the largest share with 443 patents or around 27%. The number of applications filed in China, South Korea and Taiwan has increased in recent years. The number of granted patents in those area is 758, that is almost half of all granted foreign patents.



**Use of the accelerated examination**  
We use the accelerated examination for between 15% and 30% of our patent examination requests in Japan. We intend to get early grant of important rights. Average usage of accelerated examination for patents in Japan is between 7% and 9%, indicating that our use of the accelerated examination is high.

# Efforts for quality assurance and improvement

Mitsui Kinzoku Group ever more strongly recognizes that the responsibility for providing safe products and services of adequate quality is becoming increasingly larger as we expand our business domains and promote globalization, along with the broadening of customers into the electronics and automobile industries.

## Our approach

The domains of the products and services of the Mitsui Kinzoku Group, which are rooted in the development of resources and the smelting business, are expanding from non-ferrous metals to various functional materials for the electronics and other industries, the manufacturing and assembly of functional parts for automobiles, the provision of technical services in the engineering business, and others.

We are pursuing the manufacture of safe, high-quality products that satisfy customers by establishing the Basic Quality Policy in 2012 as the standards for our resolute efforts to achieve quality in each business area and site in Japan and overseas.

## Strengthening of the quality assurance system

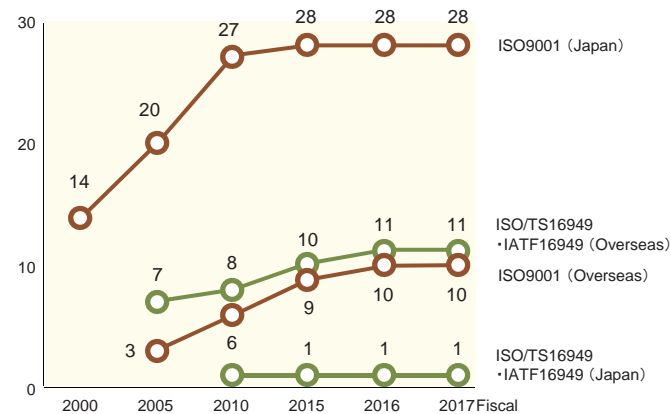
To strengthen the quality assurance system, Mitsui Kinzoku Group established the Quality Assurance Department on March 20, 2018. Its main function is to design and further the quality assurance of the Group, audit its effectiveness, cultivate human resources and obtain information outside the company and provide it to the Group. We also set up the Quality Assurance Office in R&D Center on May 1, 2018 to establish the quality assurance system from the research and development stage for the purpose of launching developed products smoothly.

## Quality management system

Each site in the Group conducts appropriate quality control in accordance with the quality management system regulated by respective division. The manufacturing sites, which had been judged required, have an official certification for their quality management such as ISO9001. We have acquired ISO9001 certification at 38 manufacturing sites including overseas sites. We have acquired IATF16949(formerly ISO/TS16949) certification, which is a specification for the automotive industry, at 12 manufacturing sites (as of the end of March 2018).



Quality management system



Number of operating sites with certifications

## Fundamental Quality Policy

### [ Philosophy ]

The Mitsui Kinzoku group considers the voice of its customers to be an asset and as such uses this asset in our efforts to constantly ensure optimal quality.

### [ Policy ]

1. We will anticipate the needs of our customers and proactively offer products and services that satisfy them.
2. The quality of our products is a reflection of the quality of our work. Therefore, we place importance on the participation of all our members and on speed as we strive to raise our overall quality.
3. In order to guarantee product quality, we adapt our quality assurance systems for each of our business areas and strive to refine our systems.

This policy applies to all subsidiaries and facilities of the Mitsui Kinzoku group worldwide.

## Quality Control training

Throughout the year, we hold group training where employees learn and practice approaches and techniques to help improve quality. We also deliver onsite training and individual training.

In particular, we provide training to fully understand customer needs and mitigate product risks in new product development.

## Product safety information

Mitsui Kinzoku Group complies with safety-related laws and regulations, and product safety information is communicated to customers via specifications, technical materials, safety data sheets, etc.

## Quality issues

In FY 2017, there were no problems with our products and services in terms of product liability. Quality claims at our 13 sites in Japan have been trending down over the past five years (see the graph below).

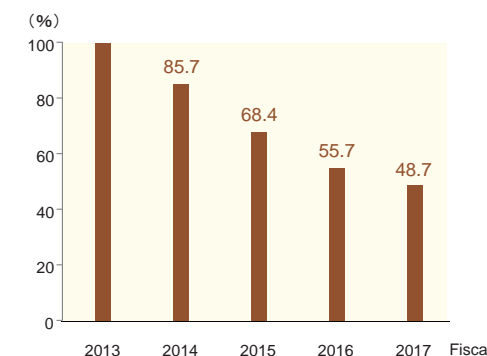
As stated in our Fundamental Quality Policy, we adapt our quality assurance systems for each of our business areas and strive to refine our systems.



Training of statistical methods (beginner course) (at Takehara Refinery)



Testing using psychoacoustic technology to monitor the closing sound of car doors in an anechoic room (Mitsui Kinzoku ACT)

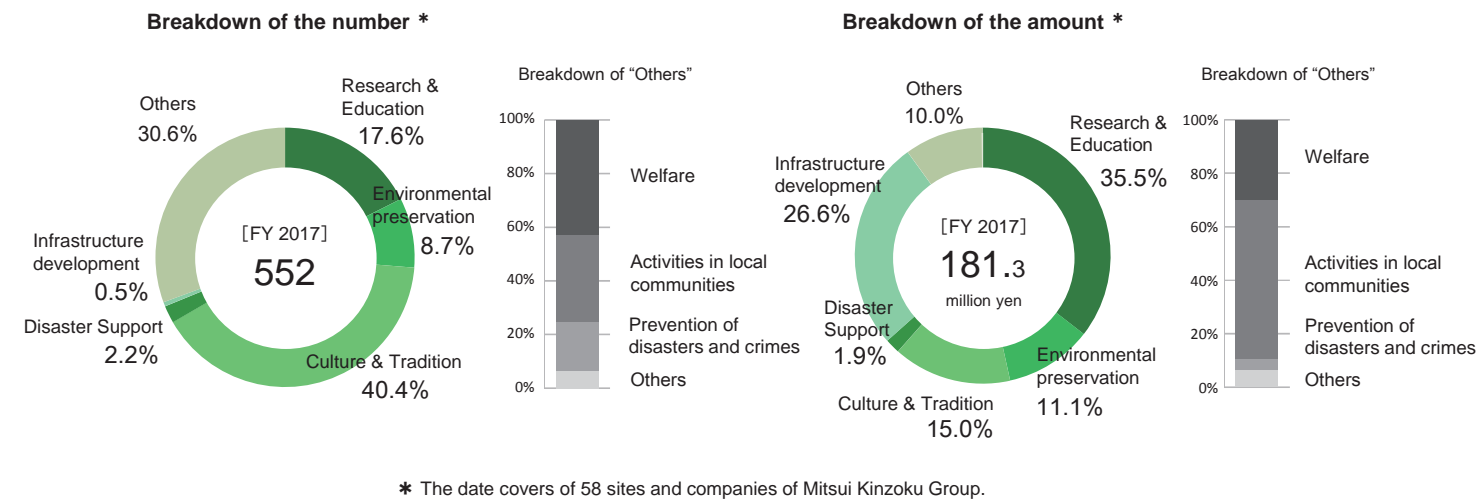


Number of claims at sites that hold QA meetings

\* The data is expressed as relative values, with the data of FY 2013 being 100.

# Deemed necessary by communities and society

**We are committed to continue contributing to members of communities and society.  
We do what we can do, even little by little.**



### Our approach

Mitsui Kinzoku Group communicates with all its stakeholders and actively promotes social contribution. Harmonious and mutually prosperous relationships with communities are fundamental to our business. This is because Mitsui Kinzoku Group's business is entirely contingent on the understanding and cooperation of local people.

Aware of our role as "a good corporate citizen," we continue to engage in communication with communities through our activities and build relationships of trust with local residents. We have recognized that it is time to move onto the stage of increasing understanding for our business activities among local people.

In the future, after completing this stage, we actively focus on solving the social issues faced by communities and link this to community development and to our own development as a member of the local community.

We are committed to continued engagement in the type of social contribution which only Mitsui Kinzoku Group can deliver.

### Structure of initiatives

Thus far, we have conducted social contribution closely linked to communities at each of our business sites. From FY 2018, General Affairs Department gather the results of social contribution in the previous fiscal year from each site as well as a report on planned activities for the fiscal year in question in every April. We will then share these within the Group to further promote CSR activities.

### Our priorities for social contribution

In light of actual activities in each region to date, we have identified "Research & Education," "Environmental Preservation," "Culture & Tradition" and "Disaster support" as priority areas. We participate in various activities including hosting plant visits and internships, community clean-up activities, and participation in community events. We also provide appropriate disaster support in line with our regulations.

## The first step as a "corporate citizen"

In FY 2017, Mitsui Kinzoku added volunteer training to the training for new employees to help them learn about "contribution to local community," "group work," and "basic practices and expected attitudes." In FY 2017, a four-day volunteer training program was conducted in Iijima-machi and Nakagawa-mura in Nagano Prefecture. The training program consisted of performing maintenance work in a bamboo forest, maintenance and improvement of forest roads, and implementation of preventive measures against damage caused by animals. In the bamboo forest maintenance, bamboo trees that were falling over passages and obstructing traffic were cut down and removed. In Japan, bamboo forests that have not been managed for years due to a shortage of forest keepers can be found here and there. Participants in the training program cleared a passage that is used by elementary school students on their way to school, letting in more sunlight and making it safer.

In the maintenance and improvement of forest roads, participants removed fallen leaves, dead trees, and soil accumulated in drainage ditches alongside forest roads to restore the flow of water. A labor shortage has made it difficult to maintain the upkeep of forest roads. If drainage ditches remain blocked with fallen leaves and soil, torrential rain can result in flooding that can cause serious damage. Clearing ditches will ensure the safety of vehicle traffic, secure water sources downstream, and, furthermore, make it easier to manage forests and mountains. During the training this year, around three kilometers of drainage ditches were cleared. While the area offers abundant nature for people's enjoyment, damage to nearby farms by wild boars, deer, and monkeys from the mountains has also been reported. Participants made and installed electric fences to help reduce damage by wild animals to agricultural and forestry products. Economic effects can be expected from the prevention of such damage.

After completing the outdoor work and returning to their accommodation, participants reflected on what they did for the day and discussed what they had learned through their work about ideal interactions between a company and local communities. They also listened to talks given by the mayor of Iijima-cho and town officials on local issues and interaction between local communities and companies. After completing the training program, the following comments were received from participants: "Through my experience in cutting bamboo trees to clear the passage and from the mayor's talk, I learned about issues faced by local communities and the importance of sharing roles," "I found the group work also useful as training for predicting dangerous situations ahead of time and thought this experience can be applied to actual work settings," and "We were able to be of use to the town and were also able to enhance our relationships with coworkers." Having achieved better results than expected, Mitsui Kinzoku will provide the volunteer training to new employees again in FY 2018.



Clearing of soil and dead trees from a forest road (photo on the left)  
Cutting of overgrown bamboo trees that obstructed the road (photo on upper right)  
With elementary school students who helped clear the bamboo forest (photo on lower right)

These are examples of volunteer activities initiated by employees, independently from internal programs that encourage volunteering. Mitsui Kinzoku Group has developed and is improving a system for supporting volunteer activities and social contribution activities, and encourages its employees to take the initiative in volunteering.

### “I hope the children's safety, I only hope so”

Kazuhiko Tabata, who currently serves as an adviser to Mitsui Kushikino Mines Co., Ltd., has been serving as an elementary school crossing guard every morning for the last 11 years. With a flag in his hand, he ensures the safety of school children.

A female crossing guard standing at a school road who ensures the safety of elementary school children was formerly called a “midori-no obasan” (“green lady”). Until seven years ago, when school crossing guards were officially certified as “gakudo yogoin,” volunteers served as crossing guards. Tabata started serving as a crossing guard because he wanted to do something to contribute to the local community. He stands at a school road for about 20 minutes at around 7:30 each morning before going to the office.

Twenty minutes is not long but it is not easy to stand outside when it is raining or cold in winter.

However, he has continued this routine because seeing the energy of the children makes him feel encouraged and energized.

He sometimes chaperones students back to school when they forget something and have to rush back home to get it. When he is away on business for a few days, children ask him, “What happened? Did you catch a cold?” upon his return. Even though he only sees them for a short time in the morning, Tabata seems to get on well with the children. Many of them give him a high five as they pass. He sometimes notices a student’s slight change of countenance and wonders if something has happened at home or school.

In such a case, he talks to the child while they wait for the traffic light to turn green.

“My primary role is to help them avoid accidents on their way to school,” he says. “I would be more than happy if I can also be of help in ensuring the children’s safety and protection against crime. I hope the children in the local community will become adults who greet each other nicely and are kind and considerate, and will play a leading role in supporting the development of the community in the future.” This is the hope that motivates Tabata to go to the school crossing every morning.



Tabata exchanging words with students and holding his hand out for a quick high five with one of them at a crossing in Kagoshima Prefecture.



Not a few students say that they did not know their town is one of the few places where perlite ore is produced and that they now feel pride at living in such a town.

**Mikata Quarry** (Kami-cho, Mikata-gun, Hyogo Prefecture)  
At the Mikata Quarry, we mine perlite ore using the surface bench mining method. Since the development started in 1987, the total output has reached 750,000 tons. The area where the Mikata Quarry is located is surrounded by a rich natural environment and has been designated as a prefectural natural park. To conserve this natural environment for future generations, we comply not only with laws such as the Quarrying Act and the Forest Act, but also the Natural Park Ordinance in our mining operations. We have greening and tree planting programs to restore the land after mining is completed.



### It is our pleasure to give children an opportunity to learn something and become aware of something.

The Perlite Division of Mitsui Kinzoku, in cooperation with Daiichi Kogyo, a partner company, has visited Ojiro Elementary School every year since 2013 to give a talk to fifth graders. The elementary school is situated in the area where the Mikata Quarry is located. This is one of the efforts under the Furusato Gakushukai (Local Study Group) program. We provide students with an opportunity to learn about perlite produced in the Ojiro District.

In the lesson, students learn that there are only seven perlite mines in Japan and that perlite is a resource produced by the Earth over many years.

An instructor explains that perlite is very useful in our daily life. For example, due to its light weight, perlite is used as a material for external walls of houses and, due to its good water-retention and draining properties, it is also used as soil conditioner.

In addition to classroom talks, the program includes a visit to the quarry, where rocks are crushed dynamically using crushers.

Students are also offered an opportunity to conduct an experiment to confirm the foamability of perlite, one of its properties, by heating perlite ore using a gas burner.

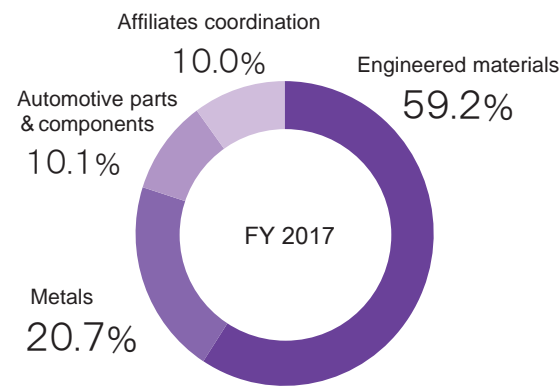
Similar to the above example, we offer lessons to school classes and tours of our plants at many sites to contribute to promoting science and education in local communities while helping local children deepen their understanding of the Mitsui Kinzoku Group’s projects and products.

Continuing to create growth products and businesses, centered around functional materials, metals and automotive parts, and continuing to enhance corporate value. That is our vision of we want to be in 10 years' time.

**Corporate profile**

[Company Name]  
 MITSUI MINING & SMELTING CO.,LTD.  
 <Common name= MITSUI KINZOKU >  
 [Established]  
 May 1, 1950  
 [Head Office]  
 1-11-1, Osaki, Shinagawa-ku, Tokyo, Japan  
 [Paid-in capital]  
 42,129million yen (as of March 31, 2018)  
 [Sales]  
 Consolidated 519,215 million yen  
 (year ended March 31, 2018)  
 Non-consolidated 260,719 million yen  
 (year ended March 31, 2018)  
 [Employees]  
 Consolidated 12,276 Non-consolidated 1,840  
 (as of March 31, 2018)  
 [Subsidiaries and affiliates]  
 Subsidiaries 74 (include 53 consolidated )  
 Affiliates 29

**Consolidated operating income breakdown**

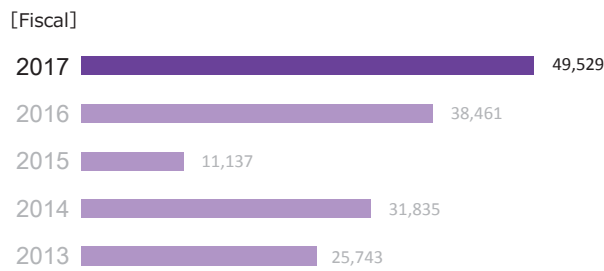


(value before consolidated adjustment)

**Consolidated net sales (Millions of Yen)**



**Consolidated operating income (Millions of Yen)**



**Consolidated total assets (Millions of Yen)**



**Functional materials for more comfortable lives in the information age**

**Battery materials**

We have been supplying a wide range of different battery materials for many years, and have continued to evolve hand-in-hand with battery technology. Materials include lithium manganese oxide and lithium nickel oxide, which are used in lithium ion batteries for mobile devices and electric vehicles, as well as hydrogen-absorbing alloys, which are used in nickel hydride batteries for hybrid vehicles, and zinc powder, which is used in alkali batteries. There are high performance materials underpinning the workings of batteries in almost every aspect of our everyday lives. We were the first in the world to develop mercury-free zinc powder for batteries, and were among the first to start supplying hydrogen-absorbing alloys after mass production of hybrid vehicles got underway.

**Catalysts**

Catalysts are directly linked to reducing environmental impact. With motorization and the worldwide tightening of regulations on emissions have led to a real need for reliable high performance catalysts. To cater to global demand, we have an overseas network of supply facilities across six countries. We supply catalysts that offer outstanding heat resistance, low-temperature activation and peel resistance, for motorcycles, cars and general purpose engines for a range of industrial machinery.

**Engineered powders**

The technologies we have built up over many years, particularly in the field of non-ferrous materials, have paved the way to create even more high added value products from metal. Whether oxidizing metal, turning it into powder, or coming up with all manner of other ideas, there are ways to achieve different functions from metal in bullion form. By focusing on these properties, and making the most of powder-related technologies we have built up to date, in terms of high purity, pulverization, and grain shape and diameter, we have been able to develop and supply a whole host of functional engineered powders. Our products include pastolan conductive powder for antistatic coatings, magnetite toner materials for printers and copiers, cerium oxide abrasives for polishing glass for flat screens and hard disks, tantalum and niobium oxides for optical lenses and ceramic condensers, and tantalum and niobium carbides for cemented carbide tools.

**Copper foil**

Computers, mobile phones and all other electronic devices contain electronic circuit boards with precision wiring between IC chips. Electrodeposited copper foil provides the essential wiring material on printed circuit boards, used to form the circuit patterns. As electronic devices become more compact and lightweight, there is also growing demand for even more precisely

detailed circuit boards. As a leading manufacturer of copper foil, we supply a wide range of products, from general purpose foils to state-of-the-art products capable of forming ultra-precise circuits, and have the development capabilities to meet the needs of the market.

One of our core products at the moment is an electrodeposited copper foil with carrier, called MicroThin™. This is a product that combines the ultra-thin properties required to form precise circuits (1.5-5µm) with an ultra-fine surface coating. It has helped customers to improve process productivity and yield, thanks to benefits such as the ability to ship foil in wide rolls. Sales have been increasing steadily ever since we commenced mass production. As smartphones acquire ever more advanced functionality, the substrates inside are expected to require increasingly precise wiring too. That is why demand for MicroThin™ is expected to keep on growing in the future.

**Sputtering targets**

LCD televisions, smart phones, tablets and other electronic devices are made from circuits consisting of multiple layers of thin films. The technique used to form these thin films, which are just a few micrometers (µm) thick, is called sputtering. The base materials used in this process are sputtering targets. We supply target materials for a variety of purposes, including ITO transparent conducting films for LCD panels, organic EL panels and touch panels, IGZO transparent oxide semiconductors, and thin-film solar cells. Recently, we have also started producing target materials for rotary cathodes, which improve process efficiency for our customers. With manufacturing facilities in Japan, Taiwan and South Korea, we continue to maintain a strong share of the target material market for displays in particular.

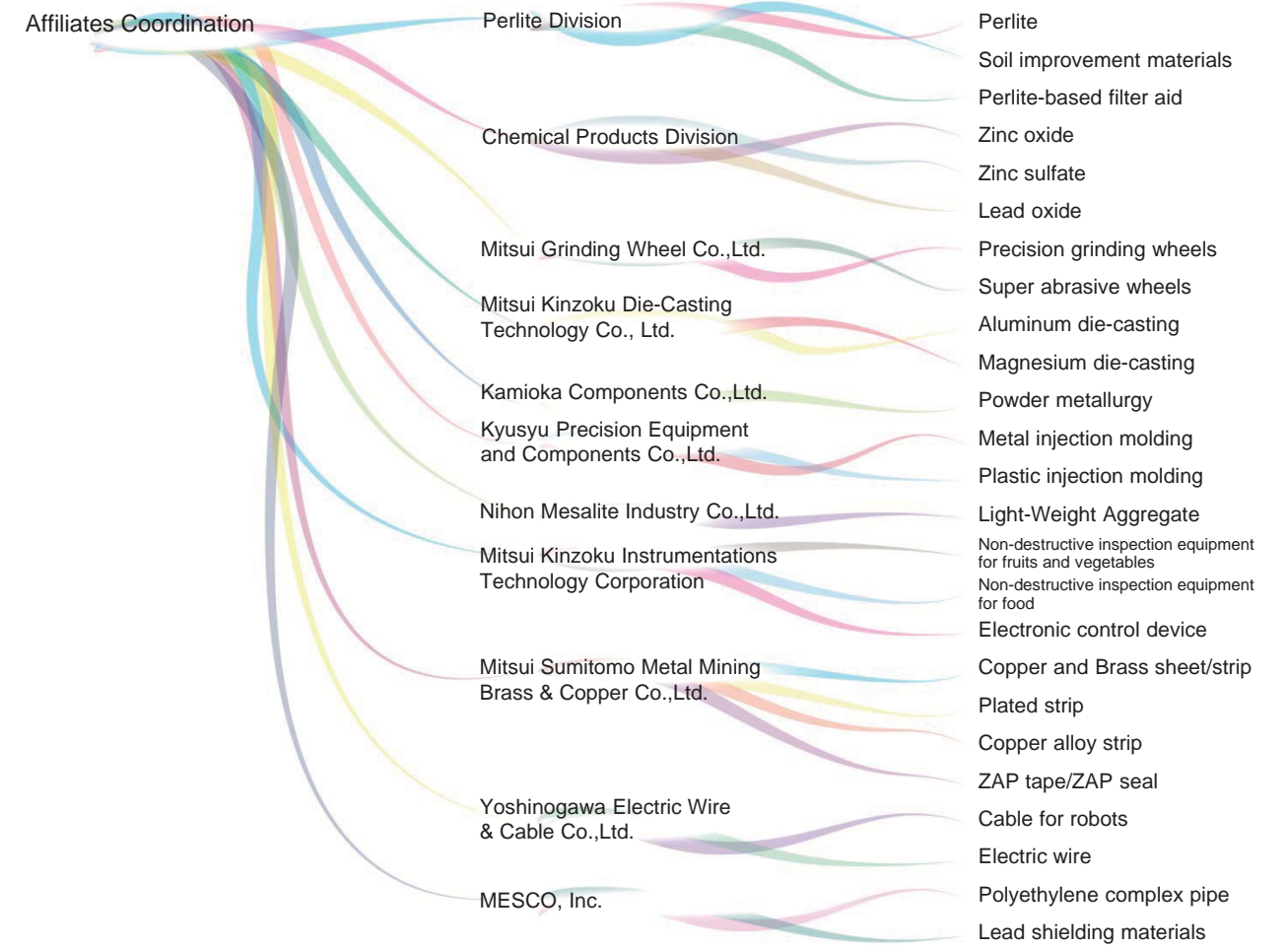
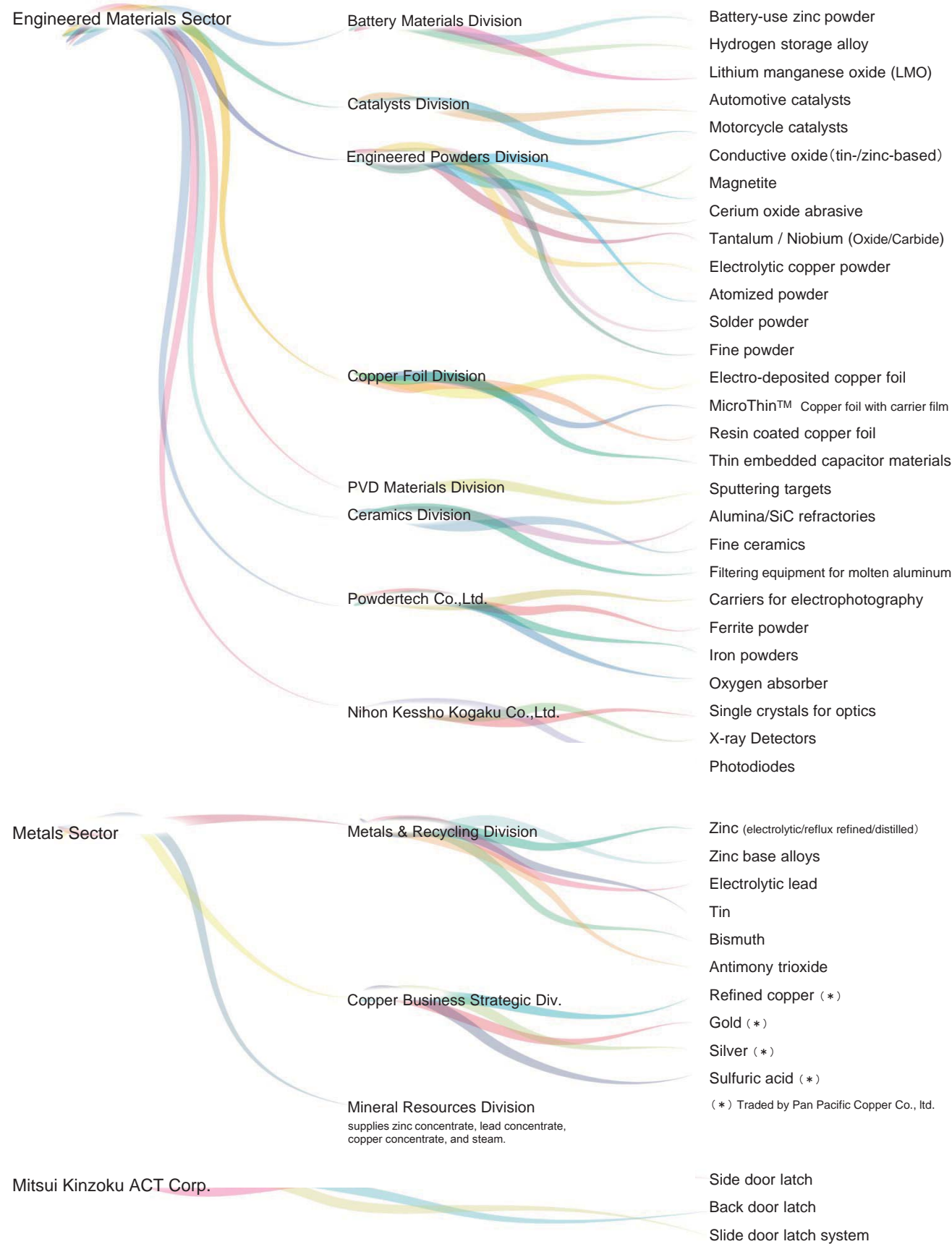
**Ceramics**

Our ceramics division manufactures firing furnaces, which are essential to the production of electronic ceramics, lining bricks, kiln tools, and bricks for non-ferrous metal melting furnaces. Products also include Metalofilter, which removes impurities from molten aluminum. Having been highly acclaimed throughout the global market for its excellent filtration capabilities, this has made a difference to the production of aluminum drinks cans the world over.

**Transforming our business to create a recycling-oriented society**

**Non-ferrous metals**

Mitsui Kinzoku is Japan's leading manufacturer of zinc, a basic material that is used across a wide range of sectors, including essential plating for rust-proofing steel, alloys, chemical products and die-cast products. It is also where our roots as a business lie. Having built up zinc smelting technologies and a supply structure over more than a century, we have earned a high level of trust from the market.



We also retain a strong share of the domestic market for lead, which is used for lead piping, radiation shielding materials and alloys, particularly for automotive and industrial batteries. At Kamioka Mining & Smelting Co., Ltd., one of our lead smelting facilities, in 1995 we took the pioneering move of switching raw materials from conventional ore to recycled materials, chiefly used batteries.

We established a system to recycle waste back into resources at an early stage too. We recover gold, silver, platinum, palladium and other metals from items such as used electronic devices and electronic substrates. We also recover metals such as zinc and copper from general waste. We continue to develop essential technologies to enable us to preserve the environment and make more effective use of resources.

Copper is used for electrical wiring, and a whole host of other electronic parts and processed products. Pan Pacific Copper Co., Ltd. established in 2000 as part of an alliance between Mitsui Kinzoku and JX Nippon Mining & Metals Corporation. It operates a fully integrated system covering every aspect of copper, from procuring raw materials through to manufacturing and sales.

### Safety, comfort and inspiration

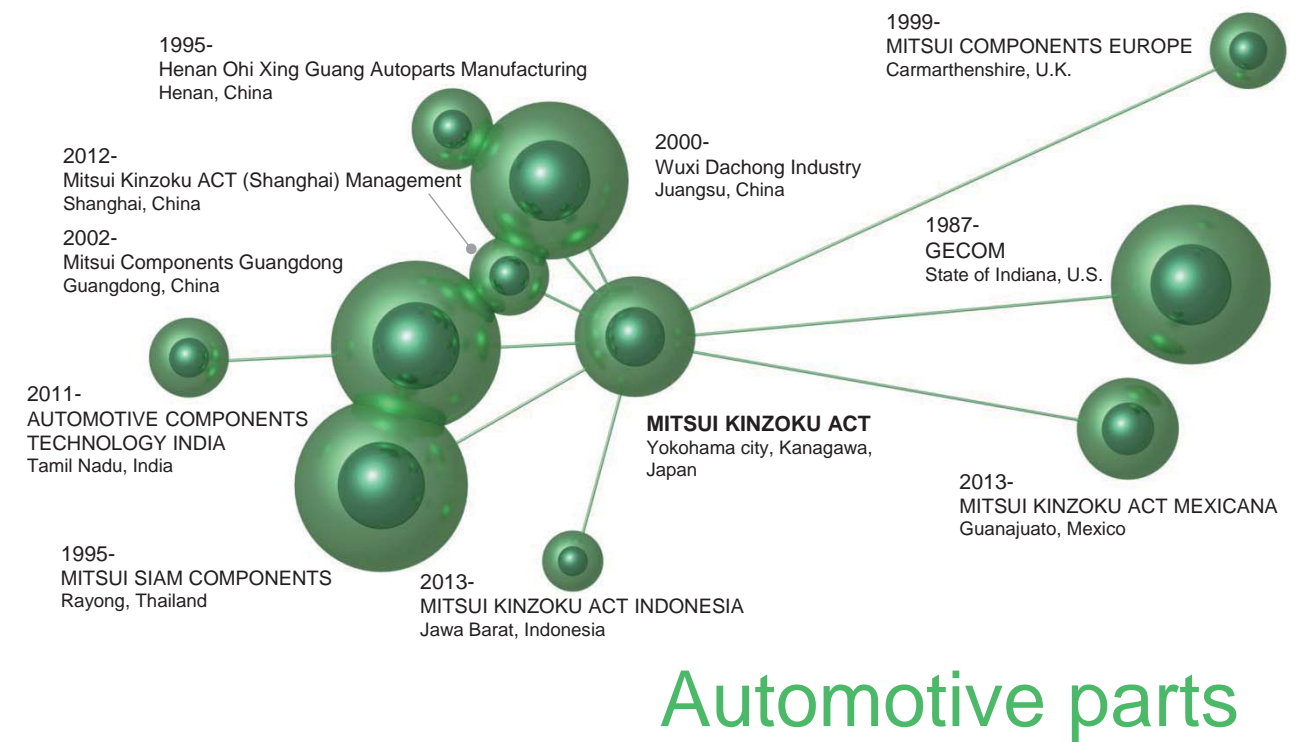
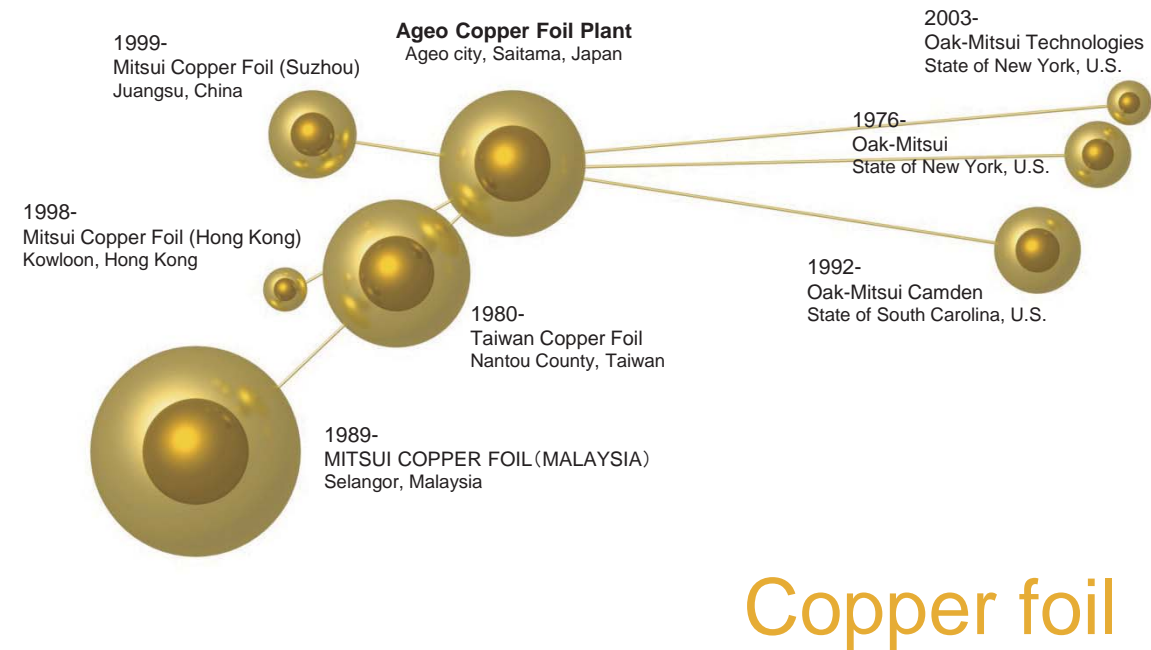
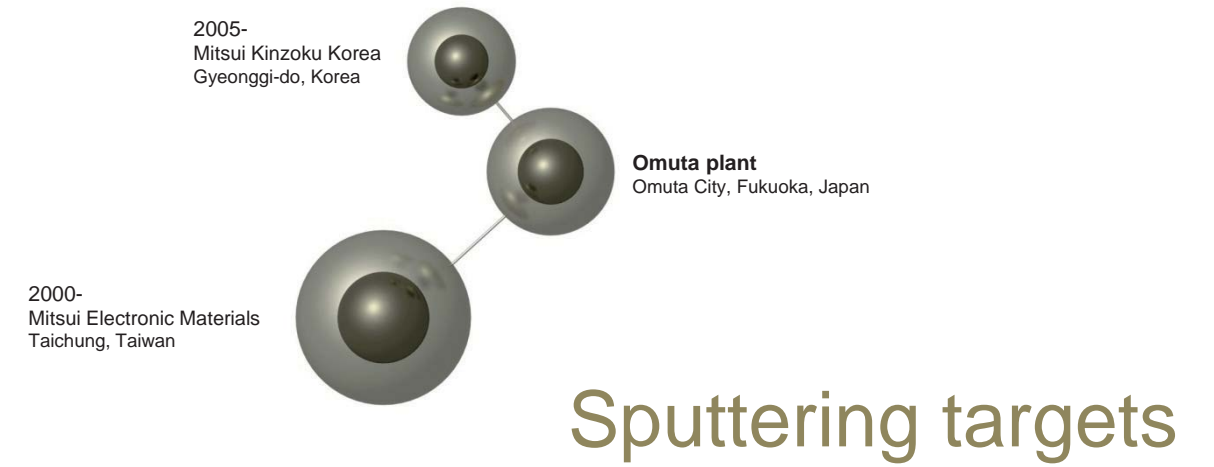
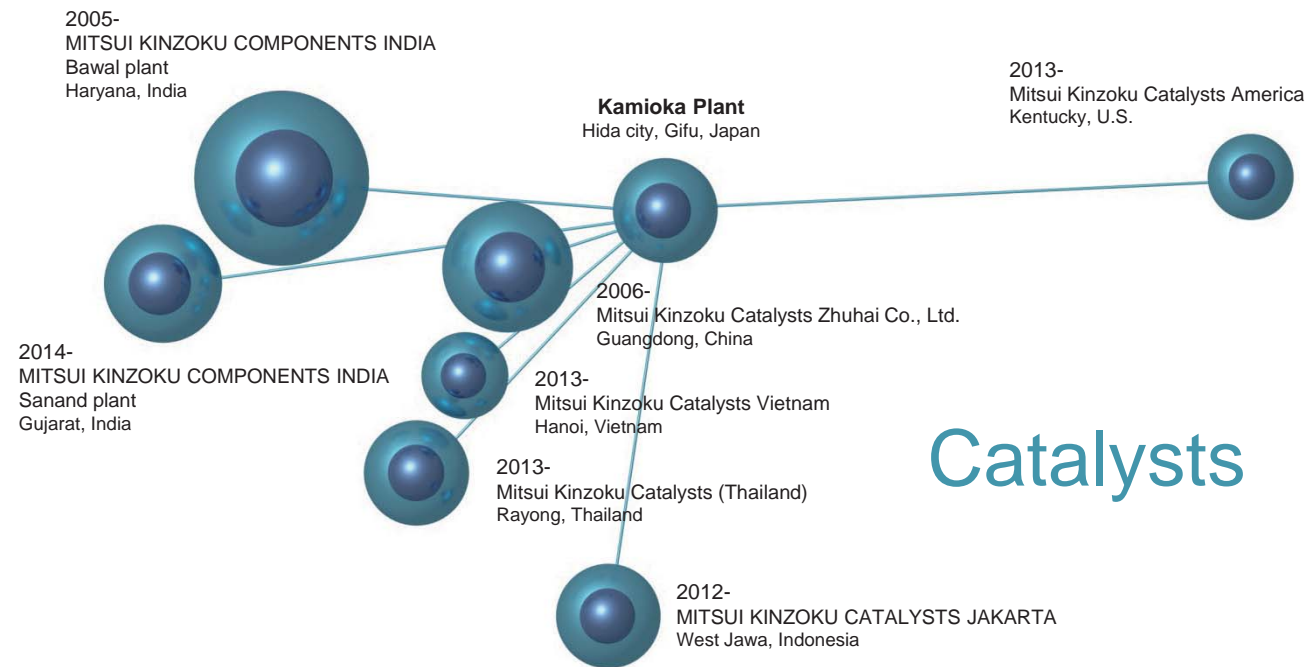
#### Automotive parts

We have always developed a range of alloys, precision processed components and functional parts in order to expand the range of applications for non-ferrous materials. We also supply products that offer added value above and beyond materials. That was where Mitsui Kinzoku's parts processing business started. We now supply an extensive array of functional parts that are crucial for vehicles, home appliances and office equipment.

In particular, auto manufacturers all over the world have been using our door latches and other automotive parts for half a century. We have a leading share of the global market for side door latches. Having spun off our automotive parts business in 2010, Mitsui Kinzoku ACT Corporation is now responsible for handling automotive parts. We have a network of manufacturing and supply facilities covering Japan, the US, Mexico, UK, China, Thailand, Indonesia and India. Combined with our efforts to improve quality assurance, research and development systems, this has enabled us to establish ourselves as a global supplier of automotive parts.



Global expansion of Mitsui Kinzoku Group's key businesses (as of July 2018) \* The size of each circle stands for the number of personnel working at each site.



## Independent Practitioner's Assurance Report

July 10, 2018

Mr. Keiji Nishida,  
President, Representative Director,  
MITSUI MINING & SMELTING CO., LTD.

Masahiko Sugiyama  
Representative Director  
Deloitte Tohmatsu Sustainability Co., Ltd.  
3-3-1, Marunouchi, Chiyoda-ku, Tokyo

We have undertaken a limited assurance engagement of the CO<sub>2</sub> information indicated with  for the year ended March 31, 2018, stated in "CO<sub>2</sub> emissions from energy consumption" (the "CO<sub>2</sub> Information") included in the "CSR REPORT 2018" (the "Report") of MITSUI MINING & SMELTING CO., LTD. (the "Company").

### The Company's Responsibility

The Company is responsible for the preparation of the CO<sub>2</sub> Information in accordance with the calculation and reporting standard adopted by the Company (indicated with the CO<sub>2</sub> Information included in the Report). CO<sub>2</sub> quantification is subject to inherent uncertainty for reasons such as incomplete scientific knowledge used to determine emissions factors and numerical data.

### Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We apply International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Our Responsibility

Our responsibility is to express a limited assurance conclusion on the CO<sub>2</sub> Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board ("IAASB"), ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the IAASB and the *Practical Guideline for the Assurance of Sustainability Information*, issued by the Japanese Association of Assurance Organizations for Sustainability Information.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. These procedures also included the following:

- Evaluating whether the Company's methods for estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or reperforming the estimates.
- Undertaking site visits to assess the completeness of the data, data collection methods, source data and relevant assumptions applicable to the sites.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

### Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the CO<sub>2</sub> Information is not prepared, in all material respects, in accordance with the calculation and reporting standard adopted by the Company.

The above represents a translation, for convenience only, of the original Independent Practitioner's Assurance report issued in the Japanese language.

Member of  
Deloitte Touche Tohmatsu Limited

# Comparative Table with GRI Standard

This report is prepared in accordance with the core option of the Global Reporting Initiative (GRI) Sustainability Reporting Standards.

100 series (Universal)	102-8 Information on employees and other workers	102-12 External initiatives
GRI 102 : General Disclosures 2016	Disclosure Title	Disclosure Title
1. Organizational profile	a. Total number of employees by employment contract (permanent and temporary), by gender.	a. A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses.
102-1 Name of the organization.	b. Total number of employees by employment contract (permanent and temporary), by region.	References <a href="#">Stakeholder Engagement P12</a>
Disclosure Title	c. Total number of employees by employment type (full-time and part-time), by gender.	102-13 Membership of associations
a. Name of the organization.	d. Whether a significant portion of the organization's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees.	Disclosure Title
References	e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries).	a. A list of the main memberships of industry or other associations, and national or international advocacy organizations.
<a href="#">Corporate overview P76</a>	f. An explanation of how the data have been compiled, including any assumptions made.	References <a href="#">Stakeholder Engagement P12</a> <a href="#">Responsible Minerals Sourcing P67</a>
102-2 Activities, brands, products, and services	References	2. Strategy
Disclosure Title	<a href="#">Corporate overview P77-79</a>	102-14 Statement from senior decision-maker
a. A description of the organization's activities.	102-3 Location of headquarters	Disclosure Title
b. Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets.	Disclosure Title	a. A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability.
References	a. Location of the organization's headquarters.	References
<a href="#">Corporate overview P76-79</a>	References	<a href="#">Breakdown of consolidated employees P38-39</a>
102-3 Location of headquarters	<a href="#">Corporate overview P76</a>	102-9 Supply chain
Disclosure Title	102-4 Location of operations	Disclosure Title
a. Location of the organization's headquarters.	Disclosure Title	a. A description of the organization's supply chain, including its main elements as they relate to the organization's activities, primary brands, products, and services.
References	a. Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report.	References
<a href="#">Corporate overview P76</a>	References	<a href="#">My Commitment P06</a>
102-4 Location of operations	<a href="#">Corporate overview P78-81</a>	102-15 Key impacts, risks, and opportunities
Disclosure Title	102-5 Ownership and legal form	Disclosure Title
a. Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report.	Disclosure Title	a. A description of key impacts, risks, and opportunities.
References	a. Nature of ownership and legal form.	3. Ethics and integrity
<a href="#">Corporate overview P78-81</a>	References	102-16 Values, principles, standards, and norms of behavior
102-5 Ownership and legal form	<a href="#">Corporate overview P76</a>	Disclosure Title
Disclosure Title	102-6 Markets served	a. A description of the organization's values, principles, standards, and norms of behavior.
a. Nature of ownership and legal form.	Disclosure Title	References <a href="#">Putting our Management Philosophy into practice P08-09</a>
References	a. Markets served, including:	102-17 Mechanisms for advice and concerns about ethics
<a href="#">Corporate overview P76</a>	i. geographic locations where products and services are offered;	Disclosure Title
102-6 Markets served	ii. sectors served;	a. A description of internal and external mechanisms for:
Disclosure Title	iii. types of customers and beneficiaries.	i. seeking advice about ethical and lawful behavior, and organizational integrity;
a. Markets served, including:	References	ii. reporting concerns about unethical or unlawful behavior, and organizational integrity.
i. geographic locations where products and services are offered;	<a href="#">Corporate overview P76-81</a>	References <a href="#">Internal Audit Committee and Internal Audit Department P31</a> <a href="#">Whistle-blowing system P33</a> <a href="#">Internal Audit P33</a>
ii. sectors served;	102-7 Scale of the organization	102-11 Precautionary Principle or approach
iii. types of customers and beneficiaries.	Disclosure Title	Disclosure Title
References	a. Scale of the organization, including:	a. Whether and how the organization applies the Precautionary Principle or approach.
<a href="#">Corporate overview P76-81</a>	i. total number of employees;	References
102-7 Scale of the organization	ii. total number of operations;	<a href="#">Materiality Assessment P14</a> <a href="#">Investment and expenses for environmental management P54</a>
Disclosure Title	iii. net sales (for private sector organizations) or net revenues (for public sector organizations);	
a. Scale of the organization, including:	iv. total capitalization (for private sector organizations) broken down in terms of debt and equity;	
i. total number of employees;	v. quantity of products or services provided.	
ii. total number of operations;	References	
iii. net sales (for private sector organizations) or net revenues (for public sector organizations);	<a href="#">Corporate overview P76</a>	
iv. total capitalization (for private sector organizations) broken down in terms of debt and equity;		
v. quantity of products or services provided.		
References		
<a href="#">Corporate overview P76</a>		

## Comparative Table with GRI Standard

### 4. Governance

#### 102-18 Governance structure Disclosure Title

a. Governance structure of the organization, including committees of the highest governance body.

b. Committees responsible for decision-making on economic, environmental, and social topics.

References  
[Organization to address materiality](#) P15  
[Corporate Governance System](#) P31

#### 102-19 Delegating authority Disclosure Title

a. Process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees.

#### 102-20 Executive-level responsibility for economic, environmental, and social topics Disclosure Title

a. Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental, and social topics.

b. Whether post holders report directly to the highest governance body.

#### 102-21 Consulting stakeholders on economic, environmental, and social topics Disclosure Title

a. Processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics.

b. If consultation is delegated, describe to whom it is delegated and how the resulting feedback is provided to the highest governance body.

#### 102-22 Composition of the highest governance body and its committees Disclosure Title

a. Composition of the highest governance body and its committees by:

- i. executive or non-executive;
- ii. independence;
- iii. tenure on the governance body;
- iv. number of each individual's other significant positions and commitments, and the nature of the commitments;
- v. gender;
- vi. membership of under-represented social groups;
- vii. competencies relating to economic, environmental, and social topics;
- viii. stakeholder representation.

References  
[To gain and secure stakeholders' trust](#) P30

#### 102-23 Chair of the highest governance body Disclosure Title

a. Whether the chair of the highest governance body is also an executive officer in the organization.

b. If the chair is also an executive officer, describe his or her function within the organization's management and the reasons for this arrangement.

References  
[Directors and Board of Directors](#) P30

#### 102-24 Nominating and selecting the highest governance body Disclosure Title

a. Nomination and selection processes for the highest governance body and its committees.

b. Criteria used for nominating and selecting highest governance body members, including whether and how:

- i. stakeholders (including shareholders) are involved;
- ii. diversity is considered;
- iii. independence is considered;
- iv. expertise and experience relating to economic, environmental, and social topics are considered.

References  
[To gain and secure stakeholders' trust](#) P30-31

#### 102-25 Conflicts of interest Disclosure Title

a. Processes for the highest governance body to ensure conflicts of interest are avoided.

b. Whether conflicts of interest are disclosed to stakeholders, including, as a minimum:

- i. Cross-board membership;
- ii. Cross-shareholding with suppliers and other stakeholders;
- iii. independence is considered;
- iv. Related party disclosures.

References  
[Business operations](#) P30

#### 102-26 Role of highest governance body in setting purpose, values, and strategy Disclosure Title

a. Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics. References

[Materiality](#) P13  
[Management System](#) P15

#### 102-27 Collective knowledge of highest governance body Disclosure Title

a. Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental, and social topics.

#### 102-28 Evaluating the highest governance body's performance Disclosure Title

a. Processes for evaluating the highest governance body's performance with respect to governance of economic, environmental, and social topics.

b. Whether such evaluation is independent or not, and its frequency.

c. Whether such evaluation is a self-assessment.

d. Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental, and social topics, including, as a minimum, changes in membership and organizational practice.

References  
[Effectiveness Assessment of the Board of Directors](#) P31

#### 102-29 Identifying and managing economic, environmental, and social impacts Disclosure Title

a. Highest governance body's role in identifying and managing economic, environmental, and social topics and their impacts, risks, and opportunities – including its role in the implementation of due diligence processes.

b. Whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental, and social topics and their impacts, risks, and opportunities.

References  
[Stakeholders](#) P10  
[Materiality](#) P13-14  
[Management System](#) P15

#### 102-30 Effectiveness of risk management processes Disclosure Title

a. Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental, and social topics.

References  
[Management System](#) P15

#### 102-31 Review of economic, environmental, and social topics Disclosure Title

a. Frequency of the highest governance body's review of economic, environmental, and social topics and their impacts, risks, and opportunities.

References  
[Management System](#) P15

#### 102-32 Highest governance body's role in sustainability reporting Disclosure Title

a. The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material topics are covered.

References  
[Management System](#) P15

#### 102-33 Communicating critical concerns Disclosure Title

a. Process for communicating critical concerns to the highest governance body.

#### 102-34 Nature and total number of critical concerns Disclosure Title

a. Total number and nature of critical concerns that were communicated to the highest governance body.

b. Mechanism(s) used to address and resolve critical concerns.

#### 102-35 Remuneration policies Disclosure Title

a. Remuneration policies for the highest governance body and senior executives for the following types of remuneration:

- i. Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares;
- ii. Sign-on bonuses or recruitment incentive payments;
- iii. Termination payments;
- iv. Clawbacks;
- v. Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees.

b. How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics.

References  
[Nomination Review Committee and Compensation Committee](#) P31

#### 102-36 Process for determining remuneration Disclosure Title

a. Process for determining remuneration.

b. Whether remuneration consultants are involved in determining remuneration and whether they are independent of management.

c. Any other relationships that the remuneration consultants have with the organization.

References  
[Nomination Review Committee and Compensation Committee](#) P31

#### 102-37 Stakeholders' involvement in remuneration Disclosure Title

a. How stakeholders' views are sought and taken into account regarding remuneration.

b. If applicable, the results of votes on remuneration policies and proposals.

#### 102-38 Annual total compensation ratio Disclosure Title

a. Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.

#### 102-39 Percentage increase in annual total compensation ratio Disclosure Title

a. Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.

### 5. Stakeholder engagement

#### 102-40 List of stakeholder groups Disclosure Title

a. A list of stakeholder groups engaged by the organization.

References  
[Stakeholder Engagement](#) P12

#### 102-41 Collective bargaining agreements Disclosure Title

a. Percentage of total employees covered by collective bargaining agreements.

References  
[Percentage of total employees covered by collective bargaining agreements](#) P39

#### 102-42 Identifying and selecting stakeholders Disclosure Title

a. The basis for identifying and selecting stakeholders with whom to engage.

References  
[Stakeholders](#) P10-11

#### 102-43 Approach to stakeholder engagement Disclosure Title

a. The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.

References  
[Stakeholder Engagement](#) P12

#### 102-44 Key topics and concerns raised Disclosure Title

a. Key topics and concerns that have been raised through stakeholder engagement, including:

- i. how the organization has responded to those key topics and concerns, including through its reporting;
- ii. the stakeholder groups that raised each of the key topics and concerns.

References  
[Key issues proposed through engagement](#) P13

### 6. Reporting practice

#### 102-45 Entities included in the consolidated financial statements Disclosure Title

a. A list of all entities included in the organization's consolidated financial statements or equivalent documents.

b. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.

References  
[Corporate overview](#) P78-79

#### 102-46 Defining report content and topic Boundaries Disclosure Title

a. An explanation of the process for defining the report content and the topic Boundaries.

b. An explanation of how the organization has implemented the Reporting Principles for defining report content.

References  
[Mitsui Kinzoku Group's CSR](#) P10-15

#### 102-47 List of material topics Disclosure Title

a. A list of the material topics identified in the process for defining report content.

References  
[Progress of Material Issues](#) P16-21

#### 102-48 Restatements of information Disclosure Title

a. The effect of any restatements of information given in previous reports, and the reasons for such restatements.

References  
[Proportion of female employees in management positions](#) P41  
[Emissions to the atmosphere and water in Japan](#) P55  
[Number of Japanese patent applications](#) P69  
[Number of foreign patent applications](#) P69

## Comparative Table with GRI Standard

102-49 Changes in reporting  
Disclosure Title  
a. Significant changes from previous reporting periods in the list of material topics and topic Boundaries.  
References  
( [There is no change.](#) )

102-50 Reporting period  
Disclosure Title  
a. Reporting period for the information provided.  
References  
[About this report](#) P04

102-51 Date of most recent report  
Disclosure Title  
a. If applicable, the date of the most recent previous report.  
References  
[About this report](#) P04

102-52 Reporting cycle  
Disclosure Title  
a. Reporting cycle  
References  
[About this report](#) P04

102-53 Contact point for questions regarding the report  
Disclosure Title  
a. The contact point for questions regarding the report or its contents.  
References  
[Mitsui Kinzoku CSR office](#) P95

102-54 Claims of reporting in accordance with the GRI Standards  
Disclosure Title  
a. The claim made by the organization, if it has prepared a report in accordance with the GRI Standards, either:  
i. 'This report has been prepared in accordance with the GRI Standards: Core option';  
ii. This report has been prepared in accordance with the GRI Standards: Comprehensive option'.  
References  
[Comparative Table with GRI Standard](#) P83

102-55 GRI content index  
Disclosure Title  
a. The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report.  
b. For each disclosure, the content index shall include:  
i. the number of the disclosure (for disclosures covered by the GRI Standards);  
ii. the page number(s) or URL(s) where the information can be found, either within the report or in other published materials;

iii. if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made.  
References  
[Comparative Table with GRI Standard](#) P83

102-56 External assurance  
Disclosure Title  
a. A description of the organization's policy and current practice with regard to seeking external assurance for the report.  
b. If the report has been externally assured:  
i. A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process;  
ii. The relationship between the organization and the assurance provider;  
iii. Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization's sustainability report.  
References  
[Independent Practitioner's Assurance Report](#) P82

GRI 103 : Management Approach

103-1 Explanation of the material topic and its Boundary  
Disclosure Title  
a. An explanation of why the topic is material.  
b. The Boundary for the material topic, which includes a description of:  
i. where the impacts occur;  
ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.  
c. Any specific limitation regarding the topic Boundary.  
References  
[Materiality](#) P13-14  
[Progress of Material Issues](#) P16-21

103-2 The management approach and its components  
Disclosure Title  
a. An explanation of how the organization manages the topic.  
b. A statement of the purpose of the management approach.  
c. A description of the following, if the management approach includes that component:  
i. Policies  
ii. Commitments  
iii. Goals and targets  
iv. Responsibilities  
v. Resources  
vi. Grievance mechanisms

vii. Specific actions, such as processes, projects, programs and initiatives  
References  
[CSR Management](#) P15  
[Progress of Material Issues](#) P16-21

103-3 Evaluation of the management approach  
Disclosure Title  
a. An explanation of how the organization evaluates the management approach, including:  
i. the mechanisms for evaluating the effectiveness of the management approach;  
ii. the results of the evaluation of the management approach;  
iii. any related adjustments to the management approach. References  
[CSR Management](#) P15

200 series (Economic topics)

GRI 201 : Economic Performance 2016

2. Topic-specific disclosures

201-1 Direct economic value generated and distributed  
Disclosure Title  
a. Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:  
i. Direct economic value generated: revenues;  
ii. Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments;  
iii. Economic value retained: 'direct economic value generated' less 'economic value distributed'.  
b. Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.

201-2 Financial implications and other risks and opportunities due to climate change  
Disclosure Title  
a. Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure, including:  
i. a description of the risk or opportunity and its classification as either physical, regulatory, or other;  
ii. a description of the impact associated with the risk or opportunity;  
iii. the financial implications of the risk or opportunity before action is taken;  
iv. the methods used to manage the risk or opportunity;  
v. the costs of actions taken to manage the risk or opportunity.

201-3 Defined benefit plan obligations and other retirement plans  
Disclosure Title  
a. If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities.  
b. If a separate fund exists to pay the plan's pension liabilities:  
i. the extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them;  
ii. the basis on which that estimate has been arrived at;  
iii. when that estimate was made.  
c. If a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage.  
d. Percentage of salary contributed by employee or employer.  
e. Level of participation in retirement plans, such as participation in mandatory or voluntary schemes, regional, or country-based schemes, or those with financial impact.

201-4 Financial assistance received from government  
Disclosure Title  
a. Total monetary value of financial assistance received by the organization from any government during the reporting period, including:  
i. tax relief and tax credits;  
ii. subsidies;  
iii. investment grants, research and development grants, and other relevant types of grant;  
iv. awards;  
v. royalty holidays;  
vi. financial assistance from Export Credit Agencies (ECAs);  
vii. financial incentives;  
viii. other financial benefits received or receivable from any government for any operation.  
b. The information in 201-4-a by country.  
c. Whether, and the extent to which, any government is present in the shareholding structure.

GRI 202 : Market Presence 2016

202-1 Ratios of standard entry level wage by gender compared to local minimum wage  
Disclosure Title  
a. When a significant proportion of employees are compensated based on wages subject to minimum wage rules, report the relevant ratio of the entry level wage by gender at significant locations of operation to the minimum wage.  
b. When a significant proportion of other workers (excluding employees) performing the organization's activities are compensated based on wages subject to minimum wage rules, describe the actions taken to determine whether these workers are paid above the minimum wage.

c. Whether a local minimum wage is absent or variable at significant locations of operation, by gender. In circumstances in which different minimums can be used as a reference, report which minimum wage is being used.  
d. The definition used for 'significant locations of operation'.

202-2 Proportion of senior management hired from the local community  
Disclosure Title  
a. Percentage of senior management at significant locations of operation that are hired from the local community.  
b. The definition used for 'senior management'.  
c. The organization's geographical definition of 'local'.  
d. The definition used for 'significant locations of operation'.  
References  
[Percentage of managers holding local nationality](#) P38

GRI 203 : Indirect Economic Impacts 2016

203-1 Infrastructure investments and services supported  
Disclosure Title  
a. Extent of development of significant infrastructure investments and services supported.  
b. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant.  
c. Whether these investments and services are commercial, in-kind, or pro bono engagements.

203-2 Significant indirect economic impacts  
Disclosure Title  
a. Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts.  
b. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas.

GRI 204 : Procurement Practices 2016

204-1 Proportion of spending on local suppliers  
Disclosure Title  
a. Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally).  
b. The organization's geographical definition of 'local'.  
c. The definition used for 'significant locations of operation'.

GRI 205 : Anti-corruption 2016

205-1 Operations assessed for risks related to corruption  
Disclosure Title  
a. Total number and percentage of operations assessed for risks related to corruption.  
b. Significant risks related to corruption identified through the risk assessment.  
References  
[Due diligence at Group sites](#) P34

205-2 Communication and training about anti-corruption policies and procedures  
Disclosure Title  
a. Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region.  
b. Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region.  
c. Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization's anti-corruption policies and procedures have been communicated to any other persons or organizations.  
d. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region.  
e. Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.  
References  
[Efforts to prevent anti-competitive practices and corruption/bribery](#) P33  
[Compliance training](#) P32

205-3 Confirmed incidents of corruption and actions taken  
Disclosure Title  
a. Total number and nature of confirmed incidents of corruption.  
b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.  
c. Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.  
d. Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.  
References  
[Efforts to prevent anti-competitive practices and corruption/bribery](#) P33

## Comparative Table with GRI Standard

### GRI 206 : Anti-competitive Behavior 2016

206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices

Disclosure Title

a. Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant.

b. Main outcomes of completed legal actions, including any decisions or judgments.

References

[Efforts to prevent anti-competitive practices and corruption/bribery P33](#)

300 series (Environmental topics)

### GRI 301 : Materials 2016

301-1 Materials used by weight or volume

Disclosure Title

a. Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by:

- i. non-renewable materials used;
- ii. renewable materials used.

301-2 Recycled input materials used

Disclosure Title

a. Percentage of recycled input materials used to manufacture the organization's primary products and services.

References

[Use of recycled raw materials P53](#)

301-3 Reclaimed products and their packaging materials

Disclosure Title

a. Percentage of reclaimed products and their packaging materials for each product category.

b. How the data for this disclosure have been collected.

### GRI 302 : Energy 2016

302-1 Energy consumption within the organization

Disclosure Title

a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used.

b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used.

c. In joules, watt-hours or multiples, the total:

i. electricity consumption

ii. heating consumption

iii. cooling consumption

iv. steam consumption

d. In joules, watt-hours or multiples, the total:

i. electricity sold

ii. heating sold

iii. cooling sold

iv. steam sold

e. Total energy consumption within the organization, in joules or multiples.

f. Standards, methodologies, assumptions, and/or calculation tools used.

g. Source of the conversion factors used.

References

[Save energy and reduce CO2 emissions P56](#)

302-2 Energy consumption outside of the organization

Disclosure Title

a. Energy consumption outside of the organization, in joules or multiples.

b. Standards, methodologies, assumptions, and/or calculation tools used.

c. Standards, methodologies, assumptions, and/or calculation tools used.

References

[Reduce energy consumption in logistics P57](#)

302-3 Energy intensity

Disclosure Title

a. Energy intensity ratio for the organization.

b. Organization-specific metric (the denominator) chosen to calculate the ratio.

c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all.

d. Whether the ratio uses energy consumption within the organization, outside of it, or both.

302-4 Reduction of energy consumption

Disclosure Title

a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.

b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all.

c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.

d. Standards, methodologies, assumptions, and/or calculation tools used.

302-5 Reductions in energy requirements of products and services

Disclosure Title

a. Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples.

b. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.

c. Standards, methodologies, assumptions, and/or calculation tools used.

### GRI 303 : Water 2016

303-1 Water withdrawal by source

Disclosure Title

a. Total volume of water withdrawn, with a breakdown by the following sources:

i. Surface water, including water from wetlands, rivers, lakes, and oceans;

ii. Ground water;

iii. Rainwater collected directly and stored by the organization;

iv. Waste water from another organization;

v. Municipal water supplies or other public or private water utilities.

b. Standards, methodologies, and assumptions used.

References

[Prevent air pollution and water pollution P55](#)

303-2 Water sources significantly affected by withdrawal of water

Disclosure Title

a. Total number of water sources significantly affected by withdrawal by type

i. Size of the water source;

ii. Whether the source is designated as a nationally or internationally protected area;

iii. Biodiversity value (such as species diversity and endemism, and total number of protected species);

iv. Value or importance of the water source to local communities and indigenous peoples.

b. Standards, methodologies, and assumptions used.

303-3 Water recycled and reused

Disclosure Title

a. Total volume of water recycled and reused by the organization.

b. Total volume of water recycled and reused as a percentage of the total water withdrawal as specified in Disclosure 303-1.

c. Standards, methodologies, and assumptions used.

### GRI 304 : Biodiversity 2016

304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

Disclosure Title

a. For each operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas, the following information:

i. Geographic location;

ii. Subsurface and underground land that may be owned, leased, or managed by the organization;

iii. Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas;

iv. Type of operation (office, manufacturing or production, or extractive);

v. Size of operational site in km<sup>2</sup> (or another unit, if appropriate);

vi. Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem);

vii. Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation).

viii. Other information relevant to the protected area or area of high biodiversity value outside the protected area.

ix. Other information relevant to the protected area or area of high biodiversity value outside the protected area.

304-2 Significant impacts of activities, products, and services on biodiversity

Disclosure Title

a. Nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following:

i. Construction or use of manufacturing plants, mines, and transport infrastructure;

ii. Pollution (introduction of substances that do not naturally occur in the habitat from point and non-point sources);

iii. Introduction of invasive species, pests, and pathogens;

iv. Reduction of species;

v. Habitat conversion

vi. Changes in ecological processes outside the natural range of variation (such as salinity or changes in groundwater level).

b. Significant direct and indirect positive and negative impacts with reference to the following:

i. Species affected;

ii. Extent of areas impacted;

iii. Duration of impacts;

iv. Reversibility or irreversibility of the impacts.

304-3 Habitats protected or restored

Disclosure Title

a. Size and location of all habitat areas protected or restored, and whether the success of the restoration measure was or is approved by independent external professionals.

b. Whether partnerships exist with third parties to protect or restore habitat areas distinct from where the organization has overseen and implemented restoration or protection measures.

c. Status of each area based on its condition at the close of the reporting period.

d. Standards, methodologies, and assumptions used.

304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations

Disclosure Title

a. Total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk:

i. Critically endangered

ii. Endangered

iii. Vulnerable

iv. Near threatened

v. Least concern

### GRI 305 : Emissions 2016

305-1 Direct (Scope 1) GHG emissions

Disclosure Title

a. Gross direct (Scope 1) GHG emissions in metric tons of CO<sub>2</sub> equivalent.

b. Gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFC, PFC, SF<sub>6</sub>, NF<sub>3</sub>, or all.

c. Biogenic CO<sub>2</sub> emissions in metric tons of CO<sub>2</sub> equivalent.

d. Base year for the calculation, if applicable, including:

i. the rationale for choosing it;

ii. emissions in the base year;

iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.

e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.

f. Consolidation approach for emissions; whether equity share, financial control, or operational control.

g. Standards, methodologies, assumptions, and/or calculation tools used.

References

[Save energy and reduce CO2 emissions P56-57](#)

305-2 Energy indirect (Scope 2) GHG emissions

Disclosure Title

a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO<sub>2</sub> equivalent.

b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO<sub>2</sub> equivalent.

c. If available, the gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.

d. Base year for the calculation, if applicable, including:

i. the rationale for choosing it;

ii. emissions in the base year;

iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.

e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.

f. Consolidation approach for emissions; whether equity share, financial control, or operational control.

g. Standards, methodologies, assumptions, and/or calculation tools used.

References

[Save energy and reduce CO2 emissions P56-57](#)

305-3 Other indirect (Scope 3) GHG emissions

Disclosure Title

a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO<sub>2</sub> equivalent.

b. If available, the gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.

c. Biogenic CO<sub>2</sub> emissions in metric tons of CO<sub>2</sub> equivalent.

d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.

e. Base year for the calculation, if applicable, including:

i. the rationale for choosing it;

ii. emissions in the base year;

iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.

f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.

g. Standards, methodologies, assumptions, and/or calculation tools used.

References

[Reduce energy consumption in logistics P57](#)

## Comparative Table with GRI Standard

305-4 GHG emissions intensity  
Disclosure Title  
a. GHG emissions intensity ratio for the organization.  
b. Organization-specific metric (the denominator) chosen to calculate the ratio.  
c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).  
d. Gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.

305-5 Reduction of GHG emissions  
Disclosure Title  
a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO<sub>2</sub> equivalent.  
b. Gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.  
c. Base year or baseline, including the rationale for choosing it.  
d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).  
e. Standards, methodologies, assumptions, and/or calculation tools used.

305-6 Emissions of ozone-depleting substances (ODS)  
Disclosure Title  
a. Production, imports, and exports of ODS in metric tons of CFC-11 (trichlorofluoromethane) equivalent.  
b. Substances included in the calculation.  
c. Source of the emission factors used.  
d. Standards, methodologies, assumptions, and/or calculation tools used.

305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions  
Disclosure Title  
a. Significant air emissions, in kilograms or multiples, for each of the following:  
i. NOx  
ii. SOx  
iii. Persistent organic pollutants (POP)  
iv. Volatile organic compounds (VOC)  
v. Hazardous air pollutants (HAP)  
vi. Particulate matter (PM)  
vii. Other standard categories of air emissions identified in relevant regulations  
b. Source of the emission factors used.  
c. Standards, methodologies, assumptions, and/or calculation tools used.  
References  
[Prevent air pollution and water pollution P55](#)

GRI 306 : Effluents and Waste 2016

306-1 Water discharge by quality and destination  
Disclosure Title  
a. Total volume of planned and unplanned water discharges by:  
i. destination;  
ii. quality of the water, including treatment method;  
iii. whether the water was reused by another organization.  
b. Standards, methodologies, and assumptions used.  
References  
[Prevent air pollution and water pollution P55](#)

306-2 Waste by type and disposal method  
Disclosure Title  
a. Total weight of hazardous waste, with a breakdown by the following disposal methods where applicable:  
i. Reuse  
ii. Recycling  
iii. Composting  
iv. Recovery, including energy recovery  
v. Incineration (mass burn)  
vi. Deep well injection  
vii. Landfill  
viii. On-site storage  
ix. Other (to be specified by the organization)  
b. Total weight of non-hazardous waste, with a breakdown by the following disposal methods where applicable:  
i. Reuse  
ii. Recycling  
iii. Composting  
iv. Recovery, including energy recovery  
v. Incineration (mass burn)  
vi. Deep well injection  
vii. Landfill  
viii. On-site storage  
ix. Other (to be specified by the organization)  
c. How the waste disposal method has been determined:  
i. Disposed of directly by the organization, or otherwise directly confirmed  
ii. Information provided by the waste disposal contractor  
iii. Organizational defaults of the waste disposal contractor  
References  
[Use of recycled raw materials P53](#)  
[Reduce waste P54](#)

306-3 Significant spills  
Disclosure Title  
a. Total number and total volume of recorded significant spills.  
b. The following additional information for each spill that was reported in the organization's financial statements:  
i. Location of spill;  
ii. Volume of spill;  
iii. Material of spill, categorized by: oil spills (soil or water surfaces), fuel spills (soil or water surfaces), spills of wastes (soil or water surfaces), spills of chemicals (mostly soil or water surfaces), and other (to be specified by the organization).  
c. Impacts of significant spills.

306-4 Transport of hazardous waste  
Disclosure Title  
a. Total weight for each of the following:  
i. Hazardous waste transported  
ii. Hazardous waste imported  
iii. Hazardous waste exported  
iv. Hazardous waste treated  
b. Percentage of hazardous waste shipped internationally.  
c. Standards, methodologies, and assumptions used.  
References  
[Reduce emissions of chemical substances P55](#)

306-5 Water bodies affected by water discharges and/or runoff  
Disclosure Title  
a. Water bodies and related habitats that are significantly affected by water discharges and/or runoff, including information on:  
i. the size of the water body and related habitat;  
ii. whether the water body and related habitat is designated as a nationally or internationally protected area;  
iii. the biodiversity value, such as total number of protected species.

GRI 307 : Environmental Compliance 2016  
Disclosure Title  
a. Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in terms of:  
i. total monetary value of significant fines;  
ii. total number of non-monetary sanctions;  
iii. cases brought through dispute resolution mechanisms.  
b. If the organization has not identified any non-compliance with environmental laws and/or regulations, a brief statement of this fact is sufficient.  
References  
[\( There was no violation on environmental regulations. \)](#)

307-1 Non-compliance with environmental laws and regulations  
Disclosure Title  
a. Total number and rate of new employee hires during the reporting period, by age group, gender and region.  
b. Total number and rate of employee turnover during the reporting period, by age group, gender and region.  
References  
[New employee hires by region P39](#)  
[Employee turnover by region P39](#)

307-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees  
Disclosure Title  
a. Benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by significant locations of operation.

GRI 308 : Supplier Environmental Assessment 2016  
Disclosure Title  
a. Percentage of new suppliers that were screened using environmental criteria.  
References  
[Roadmap for initiatives in the supply chain P66](#)  
[\( Since the initiatives begin in fiscal 2018, there is no disclosure information this time. \)](#)

308-1 New suppliers that were screened using environmental criteria  
Disclosure Title  
a. Percentage of new suppliers that were screened using environmental criteria.  
References  
[Roadmap for initiatives in the supply chain P66](#)  
[\( Since the initiatives begin in fiscal 2018, there is no disclosure information this time. \)](#)

308-2 Negative environmental impacts in the supply chain and actions taken  
Disclosure Title  
a. Number of suppliers assessed for environmental impacts.  
b. Number of suppliers identified as having significant actual and potential negative environmental impacts.  
c. Significant actual and potential negative environmental impacts identified in the supply chain.  
d. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment.  
e. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, and why.  
References  
[Roadmap for initiatives in the supply chain P66](#)  
[\( Since the initiatives begin in fiscal 2018, there is no disclosure information this time. \)](#)

400 series (Social topics)

GRI 401 : Employment 2016  
Disclosure Title  
a. Total number and rate of new employee hires during the reporting period, by age group, gender and region.  
b. Total number and rate of employee turnover during the reporting period, by age group, gender and region.  
References  
[New employee hires by region P39](#)  
[Employee turnover by region P39](#)

GRI 402 : Labor/Management Relations 2016  
Disclosure Title  
a. Minimum number of weeks' notice typically provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them.  
b. For organizations with collective bargaining agreements, report whether the notice period and provisions for consultation and negotiation are specified in collective agreements.

GRI 403 : Occupational Health and Safety 2016  
Disclosure Title  
a. The level at which each formal joint management-worker health and safety committee typically operates within the organization.  
b. Percentage of workers whose work, or workplace, is controlled by the organization, that are represented by formal joint management-worker health and safety committees.  
References  
[Labor-management activities P47](#)

GRI 404 : Training and Education 2016  
Disclosure Title  
a. Average hours of training that the organization's employees have undertaken during the reporting period, by:  
i. gender;  
ii. employee category.  
References  
[Total training hours \(FY 2017\) P37](#)

403-1 Workers representation in formal joint management-worker health and safety committees  
Disclosure Title  
a. The level at which each formal joint management-worker health and safety committee typically operates within the organization.  
b. Percentage of workers whose work, or workplace, is controlled by the organization, that are represented by formal joint management-worker health and safety committees.  
References  
[Labor-management activities P47](#)

403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities  
Disclosure Title  
a. Types of injury, injury rate (IR), occupational disease rate (ODR), lost day rate (LDR), absentee rate (AR), and work-related fatalities, for all employees, with a breakdown by:  
i. region;  
ii. gender.  
b. Types of injury, injury rate (IR), and work-related fatalities, for all workers (excluding employees) whose work, or workplace, is controlled by the organization, with a breakdown by:  
i. region;  
ii. gender.  
c. The system of rules applied in recording and reporting accident statistics.  
References  
[Safety results in 2017 P49](#)

403-3 Workers with high incidence or high risk of diseases related to their occupation  
Disclosure Title  
a. Whether there are workers whose work, or workplace, is controlled by the organization, involved in occupational activities who have a high incidence or high risk of specific diseases.

403-4 Health and safety topics covered in formal agreements with trade unions  
Disclosure Title  
a. Whether formal agreements (either local or global) with trade unions cover health and safety.  
b. If so, the extent, as a percentage, to which various health and safety topics are covered by these agreements.  
References  
[Labor-management activities P47](#)

404-1 Average hours of training per year per employee  
Disclosure Title  
a. Average hours of training that the organization's employees have undertaken during the reporting period, by:  
i. gender;  
ii. employee category.  
References  
[Total training hours \(FY 2017\) P37](#)

404-1 Average hours of training per year per employee  
Disclosure Title  
a. Average hours of training that the organization's employees have undertaken during the reporting period, by:  
i. gender;  
ii. employee category.  
References  
[Total training hours \(FY 2017\) P37](#)

404-1 Average hours of training per year per employee  
Disclosure Title  
a. Average hours of training that the organization's employees have undertaken during the reporting period, by:  
i. gender;  
ii. employee category.  
References  
[Total training hours \(FY 2017\) P37](#)

404-1 Average hours of training per year per employee  
Disclosure Title  
a. Average hours of training that the organization's employees have undertaken during the reporting period, by:  
i. gender;  
ii. employee category.  
References  
[Total training hours \(FY 2017\) P37](#)

404-1 Average hours of training per year per employee  
Disclosure Title  
a. Average hours of training that the organization's employees have undertaken during the reporting period, by:  
i. gender;  
ii. employee category.  
References  
[Total training hours \(FY 2017\) P37](#)

404-1 Average hours of training per year per employee  
Disclosure Title  
a. Average hours of training that the organization's employees have undertaken during the reporting period, by:  
i. gender;  
ii. employee category.  
References  
[Total training hours \(FY 2017\) P37](#)

404-1 Average hours of training per year per employee  
Disclosure Title  
a. Average hours of training that the organization's employees have undertaken during the reporting period, by:  
i. gender;  
ii. employee category.  
References  
[Total training hours \(FY 2017\) P37](#)

404-1 Average hours of training per year per employee  
Disclosure Title  
a. Average hours of training that the organization's employees have undertaken during the reporting period, by:  
i. gender;  
ii. employee category.  
References  
[Total training hours \(FY 2017\) P37](#)

404-1 Average hours of training per year per employee  
Disclosure Title  
a. Average hours of training that the organization's employees have undertaken during the reporting period, by:  
i. gender;  
ii. employee category.  
References  
[Total training hours \(FY 2017\) P37](#)

These include, as a minimum:  
i. life insurance;  
ii. health care;  
iii. disability and invalidity coverage;  
iv. parental leave;  
v. retirement provision;  
vi. stock ownership;  
vii. others.  
b. The definition used for 'significant locations of operation'.

401-3 Parental leave  
Disclosure Title  
a. Total number of employees that were entitled to parental leave, by gender.  
b. Total number of employees that took parental leave, by gender.  
c. Total number of employees that returned to work in the reporting period after parental leave ended, by gender.  
d. Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender.  
e. Return to work and retention rates of employees that took parental leave, by gender.  
References  
[Parental leave P43](#)  
[Return to work and retention rates after parental leave P43](#)

GRI 402 : Labor/Management Relations 2016  
Disclosure Title  
a. Minimum number of weeks' notice typically provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them.  
b. For organizations with collective bargaining agreements, report whether the notice period and provisions for consultation and negotiation are specified in collective agreements.

GRI 403 : Occupational Health and Safety 2016  
Disclosure Title  
a. The level at which each formal joint management-worker health and safety committee typically operates within the organization.  
b. Percentage of workers whose work, or workplace, is controlled by the organization, that are represented by formal joint management-worker health and safety committees.  
References  
[Labor-management activities P47](#)

GRI 404 : Training and Education 2016  
Disclosure Title  
a. Average hours of training that the organization's employees have undertaken during the reporting period, by:  
i. gender;  
ii. employee category.  
References  
[Total training hours \(FY 2017\) P37](#)

403-1 Workers representation in formal joint management-worker health and safety committees  
Disclosure Title  
a. The level at which each formal joint management-worker health and safety committee typically operates within the organization.  
b. Percentage of workers whose work, or workplace, is controlled by the organization, that are represented by formal joint management-worker health and safety committees.  
References  
[Labor-management activities P47](#)

403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities  
Disclosure Title  
a. Types of injury, injury rate (IR), occupational disease rate (ODR), lost day rate (LDR), absentee rate (AR), and work-related fatalities, for all employees, with a breakdown by:  
i. region;  
ii. gender.  
b. Types of injury, injury rate (IR), and work-related fatalities, for all workers (excluding employees) whose work, or workplace, is controlled by the organization, with a breakdown by:  
i. region;  
ii. gender.  
c. The system of rules applied in recording and reporting accident statistics.  
References  
[Safety results in 2017 P49](#)

403-3 Workers with high incidence or high risk of diseases related to their occupation  
Disclosure Title  
a. Whether there are workers whose work, or workplace, is controlled by the organization, involved in occupational activities who have a high incidence or high risk of specific diseases.

403-4 Health and safety topics covered in formal agreements with trade unions  
Disclosure Title  
a. Whether formal agreements (either local or global) with trade unions cover health and safety.  
b. If so, the extent, as a percentage, to which various health and safety topics are covered by these agreements.  
References  
[Labor-management activities P47](#)

## Comparative Table with GRI Standard

404-2 Programs for upgrading employee skills and transition assistance programs  
Disclosure Title

a. Type and scope of programs implemented and assistance provided to upgrade employee skills.  
b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.

References  
[Development and training system P36](#)  
[Active participation of experienced retiree P42](#)

404-3 Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.  
Disclosure Title

a. Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.  
References  
[Performance review P37](#)

GRI 405 : Diversity and Equal Opportunity 2016

405-1 Diversity of governance bodies and employees  
Disclosure Title

a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories:

i. Gender;  
ii. Age group: under 30 years old, 30-50 years old, over 50 years old;  
iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).  
b. Percentage of employees per employee category in each of the following diversity categories:  
i. Gender;  
ii. Age group: under 30 years old, 30-50 years old, over 50 years old;  
iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).

References  
[To gain and secure stakeholders' trust P30](#)  
[Breakdown of consolidated employees P38](#)

405-2 Ratio of basic salary and remuneration of women to men  
Disclosure Title

a. Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.  
b. The definition used for 'significant locations of operation'.

GRI 406 : Non-discrimination 2016

406-1 Incidents of discrimination and corrective actions taken  
Disclosure Title

a. Total number of incidents of discrimination during the reporting period.  
b. Status of the incidents and actions taken with reference to the following:  
i. Incident reviewed by the organization;  
ii. Remediation plans being implemented;  
iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes;  
iv. Incident no longer subject to action.

GRI 407 : Freedom of Association and Collective Bargaining 2016

407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk  
Disclosure Title

a. Operations and suppliers in which workers' rights to exercise freedom of association or collective bargaining may be violated or at significant risk either in terms of:  
i. type of operation (such as manufacturing plant) and supplier;  
ii. countries or geographic areas with operations and suppliers considered at risk.  
b. Measures taken by the organization in the reporting period intended to support rights to exercise freedom of association and collective bargaining.

GRI 408 : Child Labor 2016

408-1 Operations and suppliers at significant risk for incidents of child labor  
Disclosure Title

a. Operations and suppliers considered to have significant risk for incidents of:  
i. child labor;  
ii. young workers exposed to hazardous work.  
b. Operations and suppliers considered to have significant risk for incidents of child labor either in terms of:  
i. type of operation (such as manufacturing plant) and supplier;  
ii. countries or geographic areas with operations and suppliers considered at risk.  
c. Measures taken by the organization in the reporting period intended to contribute to the effective abolition of child labor.

References  
[Integral base for our business P34](#)  
( There were no significant risks at domestic model bases. Investigation into suppliers is started from fiscal 2018, so there is no disclosure information this time. )

GRI 409 : Forced or Compulsory Labor 2016

409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor  
Disclosure Title

a. Operations and suppliers considered to have significant risk for incidents of forced or compulsory labor either in terms of:  
i. type of operation (such as manufacturing plant) and supplier;  
ii. countries or geographic areas with operations and suppliers considered at risk.  
b. Measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labor.

References  
[Integral base for our business P34](#)  
( There were no significant risks at domestic model bases. Investigation into suppliers is started from fiscal 2018, so there is no disclosure information this time. )

GRI 410 : Security Practices 2016

410-1 Security personnel trained in human rights policies or procedures  
Disclosure Title

a. Percentage of security personnel who have received formal training in the organization's human rights policies or specific procedures and their application to security.  
b. Whether training requirements also apply to third-party organizations providing security personnel.

GRI 411 : Rights of Indigenous Peoples 2016

411-1 Incidents of violations involving rights of indigenous peoples  
Disclosure Title

a. Total number of identified incidents of violations involving the rights of indigenous peoples during the reporting period.  
b. Status of the incidents and actions taken with reference to the following:  
i. Incident reviewed by the organization;  
ii. Remediation plans being implemented;  
iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes;  
iv. Incident no longer subject to action.

GRI 412 : Human Rights Assessment 2016

412-1 Operations that have been subject to human rights reviews or impact assessments  
Disclosure Title

a. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.

412-2 Employee training on human rights policies or procedures  
Disclosure Title

a. Total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations.  
b. Percentage of employees trained during the reporting period in human rights policies or procedures concerning aspects of human rights that are relevant to operations.

412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening  
Disclosure Title

a. Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.  
b. The definition used for 'significant investment agreements'.

GRI 413 : Local Communities 2016

413-1 Operations with local community engagement, impact assessments, and development programs  
Disclosure Title

a. Percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of:  
i. social impact assessments, including gender impact assessments, based on participatory processes;  
ii. environmental impact assessments and ongoing monitoring;  
iii. public disclosure of results of environmental and social impact assessments;  
iv. local community development programs based on local communities' needs;  
v. stakeholder engagement plans based on stakeholder mapping;  
vi. broad based local community consultation committees and processes that include vulnerable groups;  
vii. works councils, occupational health and safety committees and other worker representation bodies to deal with impacts;  
viii. formal local community grievance processes.

413-2 Operations with significant actual and potential negative impacts on local communities  
Disclosure Title

a. Operations with significant actual and potential negative impacts on local communities, including:  
i. the location of the operations;  
ii. the significant actual and potential negative impacts of operations.

GRI 414 : Supplier Social Assessment 2016

414-1 New suppliers that were screened using social criteria  
Disclosure Title

a. Percentage of new suppliers that were screened using social criteria.

References  
[Roadmap for initiatives in the supply chain P66](#)

( Since the initiatives begin in fiscal 2018, there is no disclosure information this time. )

414-2 Negative social impacts in the supply chain and actions taken  
Disclosure Title

a. Number of suppliers assessed for social impacts.  
b. Number of suppliers identified as having significant actual and potential negative social impacts.  
c. Significant actual and potential negative social impacts identified in the supply chain.  
d. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment.  
e. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.

References  
[Roadmap for initiatives in the supply chain P66](#)

( Since the initiatives begin in fiscal 2018, there is no disclosure information this time. )

GRI 415 : Public Policy 2016

415-1 Political contributions  
Disclosure Title

a. Total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary.  
b. If applicable, how the monetary value of in-kind contributions was estimated.

GRI 416 : Customer Health and Safety 2016

416-1 Assessment of the health and safety impacts of product and service categories  
Disclosure Title

a. Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.

416-2 Incidents of non-compliance concerning the health and safety impacts of products and services  
Disclosure Title

a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period, by:  
i. incidents of non-compliance with regulations resulting in a fine or penalty;  
ii. incidents of non-compliance with regulations resulting in a warning;  
iii. incidents of non-compliance with voluntary codes.

b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.

References  
[Quality issues P71](#)

GRI 417 : Marketing and Labeling 2016

417-1 Requirements for product and service information and labeling  
Disclosure Title

a. Whether each of the following types of information is required by the organization's procedures for product and service information and labeling  
i. The sourcing of components of the product or service;  
ii. Content, particularly with regard to substances that might produce an environmental or social impact;  
iii. Safe use of the product or service;  
iv. Disposal of the product and environmental or social impacts;  
v. Other (explain).  
b. Percentage of significant product or service categories covered by and assessed for compliance with such procedures.

417-2 Incidents of non-compliance concerning product and service information and labeling  
Disclosure Title

a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling, by:  
i. incidents of non-compliance with regulations resulting in a fine or penalty;  
ii. incidents of non-compliance with regulations resulting in a warning;  
iii. incidents of non-compliance with voluntary codes.  
b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.

## Comparative Table with GRI Standard

417-3 Incidents of non-compliance concerning marketing communications  
Disclosure Title

- a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by:
- incidents of non-compliance with regulations resulting in a fine or penalty;
  - incidents of non-compliance with regulations resulting in a warning;
  - incidents of non-compliance with voluntary codes.
- b. If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.

GRI 418 : Customer Privacy 2016

418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data  
Disclosure Title

- a. Total number of substantiated complaints received concerning breaches of customer privacy, categorized by:
- complaints received from outside parties and substantiated by the organization;
  - complaints from regulatory bodies.
- b. Total number of identified leaks, thefts, or losses of customer data.
- c. If the organization has not identified any substantiated complaints, a brief statement of this fact is sufficient.

References

[Promotion of information management P33](#)

GRI 419 : Socioeconomic Compliance 2016

419-1 Non-compliance with laws and regulations in the social and economic area  
Disclosure Title

- a. Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of:
- total monetary value of significant fines;
  - total number of non-monetary sanctions;
  - cases brought through dispute resolution mechanisms.
- b. If the organization has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient.
- c. The context against which significant fines and non-monetary sanctions were incurred.

References

[Efforts to prevent anti-competitive practices and corruption/bribery P33](#)

<Disclosure Title by GRI G4 Sustainability Reporting Guidelines specified for the metal and mining peer>

MM1 Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated

MM2 The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place

MM3 Total amounts of overburden, rock, tailings, and sludges (in tons) and their associated risks

MM4 Number of strikes and lock-outs exceeding one week's duration, by country  
References

[Labor-management relations P39](#)

MM5 Total number of operations taking place in or adjacent to Indigenous Peoples' territories, and number and percentage of operations or sites where there are formal agreements with Indigenous Peoples' communities  
References

[Migration and resettlement P35](#)

MM6 Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous Peoples  
References

[Migration and resettlement P35](#)

[Grievance mechanisms P35](#)

MM7 The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and Indigenous Peoples, and the outcomes  
References

[Grievance mechanisms P35](#)

MM8 Number (and percentage) of company operating sites where artisanal and small-scale mining (ASM) takes place on, or adjacent to, the site; the associated risks and the actions taken to manage and mitigate these risks  
References

[Artisanal and Small-scale Mining P35](#)

MM9 Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process  
References

[Migration and resettlement P35](#)

MM10 Number and percentage of operations with closure plans  
References

[Mine closure plan to minimize the impact on the environment P62](#)



### Posting of the Code of Conduct at all sites

We develop business activities by taking advantage of Material Intelligence based on the Management Philosophy and the Code of Conduct as our CSR activities.

The specific commitment to practice the Management Philosophy is the Code of Conduct. It sets forth the basic matters that we should observe in all aspects of our daily corporate activities so that each of us will be able to grow with the stakeholders, being aware of our own responsibility that we should fulfill for society. It is also the essence that each of us should address.

We have displayed the Code of Conduct at all sites in Japan and overseas to share it and ensure its infiltration. At sites where multiple languages are spoken, the Code of Conduct is displayed in these languages.

For example, the picture above shows the display at Mitsui Electronic Materials Co., Ltd. (Taichung), a production site of thin-film materials. The Traditional Chinese version as well as the English version for Filipinos, who account for about 30% of the employees, are displayed.

It is also prepared in Spanish, Malay, Indonesian, Thai, Vietnamese, Korean, Simplified Chinese and Hindi.

## CSR REPORT 2018

MITSUI KINZOKU

We look forward to hearing your views and impressions to help us improve our CSR activities and our CSR report. If you have any inquiries about this report or any questions about our CSR activities, please contact the CSR Office using the details below.

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