

June 29, 2022

JX Nippon Mining & Metals Corporation

Drawing Up the First Transition-Linked Loan Framework in the Non-Ferrous Metals Industry –Accelerating Efforts to Realize a Carbon-free and Recycling-Oriented Society–

JX Nippon Mining & Metals Corporation (President: Murayama Seiichi; “the Company”) has drawn up a Transition-Linked Loan Framework (“the Framework”), as part of the Company’s efforts to realize a carbon-free and recycling-oriented society. The Framework was formulated with the assistance of Mizuho Bank, Ltd. (President & CEO: Kato Masahiko).

A Transition-Linked Loan (TLL) is a type of loan that supports a company in its efforts to transition away from the use of carbon, and ultimately aims to accelerate the realization of a carbon-free society, by establishing sustainability performance targets (“SPTs”) that align with the company’s transition strategy, and by setting incentives, such as linking progress toward achieving these SPTs with the interest rate conditions of the loan. With this Framework, the Company has become the first company in the non-ferrous metals industry to gain third-party opinion from the Japan Credit Rating Agency, Ltd. (JCR)^{*1}, which has certified that the Framework complies with the various rules and guidelines such as the Basic Guidelines on Climate Transition Finance formulated by the Ministry of Economy, Trade and Industry, Ministry of the Environment, and the Financial Services Agency.

As well as working to realize a carbon-free society with the long-term targets of achieving a 50% reduction of the Company’s own CO₂ emissions (compared to FY2018 levels) by FY2030 and net zero emissions by FY2050^{*2}, the Company has also set a target to increase the ratio of recycled raw materials used in our copper smelting business to 50% by FY2040^{*3}, as part of our efforts toward a recycling-oriented society. Based on these targets, the Framework establishes two SPTs: 1. Reduce and maintain CO₂ emissions by 50% (compared to FY2018 levels) by FY2030, and 2. Increase the ratio of recycled raw materials to 25% by FY2030. By linking progress toward achieving these targets with the interest rate conditions of the TLL, we are building a framework that commits the Company to executing our transition strategy.

We will continue to contribute to the development of a sustainable society through our integrated business operations from resources and metal smelting to advanced materials and recycling.

*1 Website of the Japan Credit Rating Agency, Ltd.

<https://www.jcr.co.jp/en/greenfinance/>

*2 JX Nippon Mining & Metals Sustainability Report 2021: “Toward Achieving Net Zero CO₂ Emissions by Fiscal 2050” (Published September 2021)

https://www.nmm.jx-group.co.jp/english/sustainabilityreport/2021/p29_32.html

*3 JX Nippon Mining & Metals Sustainability Report 2021: “A Vision for Growth in the Circular Economy” (Published September 2021)

https://www.nmm.jx-group.co.jp/english/sustainabilityreport/2021/p33_36.html