













Materiality and ESG Management

Materialities (Priority Issues) and KPIs (Key Performance Indicators)

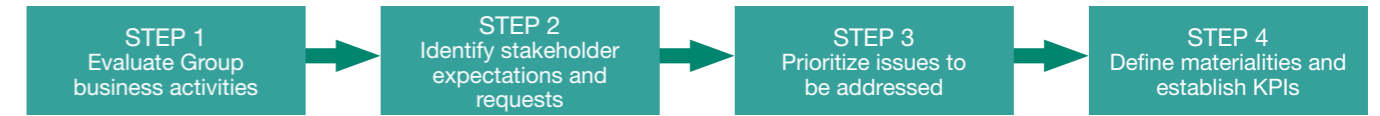
The JX Metals Group has identified six materialities for priority action in order to realize our 2040 Long-Term Vision. KPIs have been set for each materiality, and the ESG Committee, chaired by the president, administrates this system, measuring and assessing levels of achievement for these KPIs.

	Materialities	Initiatives	FY2022 KPIs	Related SDGs
Environment	Contributing to Environmental Conservation P53	<ul style="list-style-type: none"> Contribute to global environmental conservation by creating a carbon-free and recycling-oriented society 	Total in-house CO ₂ emissions: Promoting initiatives to achieve net zero CO ₂ emissions in fiscal 2050 and 50% reduction in fiscal 2030 (vs. fiscal 2018)	 
			Increase percentage of recycled raw materials: Expand the breadth of recycled materials to be treated	
Social	Provide Advanced Materials That Support Lives and Lifestyles P66	<ul style="list-style-type: none"> Advance development of new technologies and contribute to an IoT/AI society 	Develop advanced materials needed by the IoT/AI society	  
			Build a framework to support technology-based management	
	Create Attractive Workplaces P77	<ul style="list-style-type: none"> Create a healthy, safe, and peaceful working environment for all employees Create an environment in which diverse employees feel fulfilled and fully express their talents 	Reduce serious occupational accidents: Less than 0.70 accidents (four days or more of lost work time) per 1,000 workers in fiscal 2022	  
			Increase annual leave utilization rate: 80% or more in fiscal 2022	
			Implement initiatives to revitalize people and organizations	
Respect Human Rights P83	<ul style="list-style-type: none"> Conduct business activities that respect the human rights of all throughout the supply chain, including local community residents, customers, employees, and business partners 	Percentage of employees taking human rights training (100% in fiscal 2022)	 	
		Conduct survey of human rights in supply chains		
Coexistence and Co-Prosperity With Local Communities P90	<ul style="list-style-type: none"> Foster relationships of trust with local communities through community-based social contribution activities and communications in every business location in Japan and abroad 	Continuing dialogue with local communities	 	
Governance	Strengthen Governance P94	<ul style="list-style-type: none"> Ensure sound, transparent business management via thorough compliance and risk management activities 	Steady operation of group-wide risk management	-
			Compliance training tailored to business characteristics and social movements, etc.	

Materiality Identification Process

The following steps were taken to identify Group materialities, based on global social issues and the goals set forth by the SDGs, as well as international guidelines (GRI, ISO 26000, etc.), initiatives in Japan and overseas, and trends among industry

peers. The identified materialities will be periodically reviewed in accordance with future changes in social conditions and needs, management strategies, and other factors.



ESG Promotion System

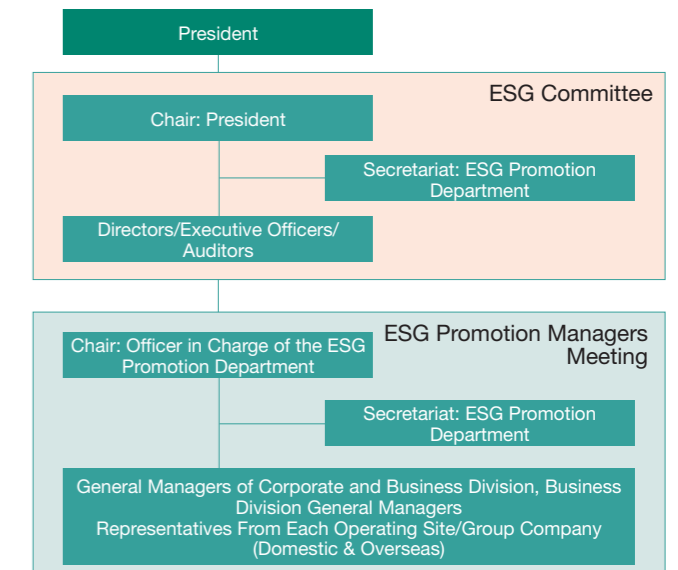
Though the Group has taken a variety of actions over the years toward social contribution and environmental conservation, it has become necessary to strengthen organizational response to global ESG trends and take actions toward ESG management from a Group-wide perspective. Therefore, in October 2020, we established the ESG Promotion Department to oversee ESG initiatives, and created related committees to assist.

The ESG Committee serves as an advisory body to the president, and is responsible for basic policies and activity plans related to ESG initiatives, as well as monitoring of these initiatives. The ESG Committee is chaired by the president of the Company, with members from the Executive Council and with participation by outside directors as observers. This committee meets twice a year in principle. In addition, in order to promote and permeate ESG activities throughout the Group, we have established the ESG Promotion Managers Meeting as a subordinate body to this committee, consisting of the ESG promotion managers from each of the Company's departments and each Group company. Important ESG-related matters are discussed and reported to the Board of Directors and the Executive Council as appropriate.

In fiscal 2022, we held ESG Committee meetings in June

and November to discuss activity policies for each priority issue and report on the status of activities.

ESG Promotion System



Permeating ESG Management

The Group aims to deepen understanding about the importance of ESG and our activities. To do so, we distribute information on ESG using the Group intranet and internal newsletters. We also hold internal trainings and e-learning programs. In 2023, we conducted training for employees at each of our major business locations from May to August to further spread ESG activities. These trainings featured AI voice narration for the first time, receiving positive feedback from 84% of the participants.

In addition, we distribute the Sustainability Report each year and conduct questionnaires available via paper and online to survey employees. Surveys cover the penetration of ESG and CSR mindsets and status of employee involvement in practicing ESG and CSR. In fiscal 2022, 4,814 of 5,652 eligible employees responded to the survey, resulting in a response rate of 75%.



Training slide materials

Excerpt of Questionnaire Responses

Q: Do you understand our ESG management initiatives?
 Yes 81.9%
 Unsure 14.8%
 No 3.1%
 No answer 0.2%

Q: Do you understand and agree with the JX Metals Group Code of Conduct?
 Yes 96.2%
 No 2.8%
 No answer 1.0%

Q: Do you think materialities are well understood in your organization and workplace?
 Yes 69.1%
 No 29.2%
 No answer 1.7%

* Respondents have multiple options for answering questions, with affirmative answers categorized as "Yes" and negative answers as "No."