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SMIC CSR REPORT 2022

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SMIC CSR REPORT 2022

Senju Metal Industry Group CSR Report

MANAGEMENT PHILOSOPHY

Perform our mission as a socially valued institution via providing universally beneficial products

"Company" is a place where all employees share core values and are able to use the lines of communication as a "dojo" for the mastery of oneself. It is our strongest desire that company growth is directly interwoven with employee happiness – materially and spiritually. In the face of modern society, as the foundation of a company's existence, we are expected to continue to provide universally beneficial products year after year. Our management philosophy is to harmonize societal goals with employee desires, thereby enabling our mission to be a valued institution sharing peace, happiness and progress to all of society.

Three key pillars are necessary under this philosophy in order to advance company development and ensure the success of our mission: Ability, Integrity and a Fighting Spirit. These pillars are the three sacred treasures that form the cornerstones of every aspect of life.

When these pillars are indomitable inside our institution, a bright, peaceful and vigorous workplace will naturally emerge. We are confident that with this workplace as a driving force we will overcome any challenges and the company will continue to grow as long as this pioneering spirit is encouraged each and every single day. Together, let's take this philosophy to heart and embrace it as our belief, and build a bridge of peace and friendship across the entire corporate landscape while progressing into joyful, healthy lives.

Published in June 1960

The late
Mr. Senju Sato,
Honorary Chairman

As President	June, 1960 - June, 1978
As Chairman	July, 1978 - May, 2008
As Honorary Chairman	June, 2008 - October, 2008



Photot: Chubu Segment, Seto Factory

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EDITORIAL POLICY

SMIC Group strives to report on key challenges and topics of high social importance in order to determine materiality.
We declare that this report was made in compliance with the requirements of the GRI standards, and reports the results of our efforts to solve social problems through our business.

Period Covered	April 1, 2021 - March 31, 2022 (Includes some information from April 2022 onwards)
Report Scope	25 group companies (includes non-consolidated subsidiaries and associated companies). Note that SMIC's environmental initiatives are listed separately.
Key Changes	No change to number of consolidated subsidiaries
Membership	RBA, JWES, JIEP, JAPIA, TEA, Tokyo CCI, Moka CCI
Publication History	Current Issue: October 2022 (Previous Issue: October 2021)
Next Issue	April, 2023
Reference Guidelines	GRI Standards, Environmental Reporting Guidelines, ISO26000

*The GRI standards comparison table will be posted on our CSR website.

DISCLAIMER

This report contains descriptions of plans and strategies pertaining to the future activities of SMIC, as well as predictions and forecasts related to its business performance. Such descriptions include estimates and forecasts formed with information gathered and analyzed based on what is available at the time of creation. Please be aware that SMIC and its related companies assume no responsibility whatsoever for damages or losses occurring either directly or indirectly from the use of the information or content included in this report. Furthermore, the original text of this report was written in the Japanese language and has been translated into English and Chinese languages for reference. If there are any discrepancies between the Japanese version and the English or Chinese versions, the Japanese version shall supersede the other versions. Please be aware that SMIC assumes no responsibility whatsoever for any and all damages occurring from misunderstandings caused by translated versions of this report.



Resilience

Overcome Any Challenging Situation with Suppleness and Integrity

President

Ryoichi Suzuki

Our Materiality

ESG	Materiality	Material Topics	SDGs
E	Respond to Climate Change	• Energy conservation and the use of renewable energy in business activities • Development of environmentally friendly products to help customers achieve carbon neutrality • Use of renewable resources for secondary raw materials	
E	Practice Resource Recycling	• Promote the collection and recycling of used solder products sold by us • Reuse of solder materials in our manufacturing process	
S	Promote the CSR Procurement (Responsible Procurement of Minerals)	• Prohibit transactions with individuals or organizations engaging in conflict, terrorism, child labor, or other human rights abuses • Use minerals in accordance with the RMI standards	
S	Human Resource Development	• Develop human resources that strive to acquire new knowledge and make rational decisions from a broad perspective	
S	Creating Comfortable Workplace Environments	• Diversity and Inclusion (Create a comfortable work environment that accommodates diverse lifestyles and human resources) • Respect for human rights (Show respect and understanding for all cultures and religions when conducting global business) • Promote Digital Transformation (DX) internally • Occupational health and safety	
S	Contribute to the Realization of Society 5.0 and DX	• Develop highly reliable products enabling the application of the latest technologies such as 5G, IoT, and autonomous driving • Keep up with and supporting our customers' advanced technologies and promoting partnerships and the co-creation activities with them	
G	Realize Stable Supply	• Enhance our readiness for large-scale pandemics and natural disasters such as earthquakes and typhoons • Strengthen our business continuity plan (BCP) and relevant systems • Enhance our multi-channel procurement system • Introducing automation and IoT to production plants	
G	Intellectual Property Protection, Personal Information Management, and Other Risk Management	• Strengthen control measures for intellectual property-related risks such as patent infringement and technology leakage • Enhance information security • Protect the personal information of our company, customers, and business partners	

Enhance our own business foundation and supply chain and overcome challenges with suppleness

We are pleased to present the SMIC Group's CSR Report for FY2022. Recently, unprecedented events such as the global outbreak of COVID-19 and international conflicts have had a major impact on the social economy. SMIC Group is determined to overcome these challenges with suppleness and integrity. Integrity means having a conscience and the right mind as a human being, as stated in our management philosophy of *Ability, Integrity and Fighting Spirit*. Therefore, we have set the theme of this year's CSR Report as *Resilience - Overcome any challenging situation with suppleness and integrity.*

To achieve this, we are determined to enhance our business foundation and supply chain.

To strengthen our business foundation, we will promote the BCP (Business Continuity Plan) through office dispersion, flextime, and telework in manufacturing, sales, R&D, and administrative departments to ensure uninterrupted business activities even in the event of pandemics such as COVID-19 or natural disasters such as earthquakes and typhoons.

To strengthen our supply chain, we will promote BCP from the supply chain perspective by establishing a flexible procurement system based on multiple purchase channels and a system enabling us to respond internally in the event of supply issues on the supplier side. In addition, we will continue to procure minerals from suppliers complying with the Responsible Minerals Initiative (RMI) to ensure responsible procurement. We will also work on responsible procurement of all primary and auxiliary materials other than minerals.

This is unclear, materiality related to SMIC Group in what way?

In recent years, business activities from the perspective of SDGs (Sustainable Development Goals) and ESG (Environmental, Social and Governance) have become increasingly important as we aim to realize a sustainable society. Our stakeholders have also been expecting and demanding the realization of this society. Therefore, from this year, we have ascertained our material issues (materiality) by identifying risks and opportunities for SMIC Group.

The first and most important materiality for SMIC Group is developing new products that help realize a sustainable society through our novel technologies and new materials. We have already developed low-temperature solder achieving carbon neutrality and highly reliable solder to realize Society 5.0. However, in order to pass the baton of the realization of a sustainable society in the future to the next generation, we believe it is essential to develop more new products using new technologies and materials. Therefore, it is important to put in more efforts to keep up with our suppliers and customers in developing advanced technologies and supporting them through partnership and co-creation.

Next, as a corporation it's important that we raise our ethical standards. We must always remain faithful to our stakeholders: suppliers, employees, local communities, the global environment, and our customers. Therefore, it is very important to communicate closely with our stakeholders, identify issues based on their opinions and evaluations, and reflect them in our business activities.

SMIC Group will continue to respond to the needs of our stakeholders and engage in business activities to realize a sustainable society. We look forward to your continued support and encouragement!

SMIC Group: Our Vision and CSR

Contribute to Building a Better Society

SMIC engages in CSR and corporate activities aimed at being an outstanding company that helps to realize a sustainable environment, society, and governance, based on our Management Philosophy, by maintaining sincere relationships with our stakeholders. We value the 5 aspects defined in the code of conduct of the RBA (Responsible Business Alliance), and the following four-step process was recommended by the GRI (Global Reporting Initiative) for identifying critical issues.

PROGRESSION OF OUR ENTIRE SOCIETY

LOCAL COMMUNITIES

- Prevent accidents/disasters at business sites and provide disaster recovery support in surrounding areas
- Respect local cultures/customs and contribute to local communities
- Establish BCP

CUSTOMERS

- Provide safe, secure, and stable products and services
- Provide proper eco-friendly products/services and information
- Protect intellectual property rights
- Promote high-reliability products

SUPPLIERS

- Fairly select and conduct transactions with suppliers
- Maintain corporate value and support socially responsible investment
- Responsible procurement of minerals

GLOBAL ENVIRONMENT

- Prevent global warming and reduce waste
- Discontinue use of conflict minerals and control chemical emissions
- Achieve carbon neutrality

EMPLOYEES

- Fairly evaluate, treat, train, and fulfill talent allocation
- Consider occupational safety and both mental and physical health
- Recruit and develop talent based on the promotion of diversity

Environmental Vision 2050

Management Strategy Materiality

Environmental, Social, and Corporate Governance to Achieve Sustainable Development

SMIC Business & Strengths

From materials to processing methods



Solder



Soldering Equipment



Plain Bearings

Management Philosophy

SMIC Group's focused SDGs items

As a company that provides metal for products and services that form the infrastructure of society, we SMIC aims to contribute to the achievement of the SDGs by positioning the following six SDGs as our focus that are deeply interwoven with our business activities.



step 1 Identification of key issues and events

- GRI aspects and important RBA self-audit items
- Identification of the scope of impact

step 2 Prioritization

- Severity assessment for stakeholders and the company
- Qualitative and quantitative assessment in the monthly CSR meeting
- Planning of ESG management strategy

step 3 Validation

- Assessment of the scope, impact and period of GRI items
- Approval and disclosure by the management team

step 4 Review

- Distribution and disclosure of documents in hard and soft copy (Japanese, English, and Chinese versions)
- Analysis and summary of opinions in the monthly CSR meeting for utilizing in future meetings

SMIC Group Lifestyle Support Products

SMIC Group's products are used everywhere and support every part of our lives, including everyday products such as electronic devices and mobility products, as well as infrastructure such as wind turbines, base stations, steel towers, and even satellites. SMIC Group will continue to pioneer the future of bonding through total solutions, and thus contribute to society.

SOLDERING EQUIPMENT

SMIC soldering equipment is used for the soldering mounting process of printed circuit boards and electronic components in manufacturer factories.



MATERIAL ANALYSIS INSPECTIONS

Industrial Analysis Service does analysis inspections of harmful substances contained in various materials and products.



BALL SOLDER, PASTE SOLDER

SMIC ball solder and paste solder are used in electronics and appliances such as smartphones and PCs, as well as in solar panels, LED lights, and wind turbines.



BAR SOLDER

SMIC bar solder is used for the circuit board mounting process, which uses soldering equipment.



PLAIN BEARINGS

SMIC plain bearings are used in the shock absorbers of automobiles, as well as the undercarriages of construction machines.



ENVIRONMENTAL ANALYSIS INSPECTIONS

Industrial Analysis Service does analysis inspections of contaminants in water, air, and soil.



PREFORMED SOLDER

SMIC preformed solder are used for in-vehicle mounting in automobiles.



SPRINKLERS

Senju Sprinkler's fire sprinklers are used in firefighting equipment around the world, including housing, buildings, underground parking lots, and public facilities.



SPECIAL ALLOYS

SMIC zinc/tin/magnesium alloy is used for anti-corrosion surface treatment of cast iron water pipes.



SMIC's Responsible Mineral Procurement

In the last few years, we have seen uncertainties such as soaring metal prices, conflicts, and trade friction between nations, along with the rising demand for electronic components toward the realization of Society 5.0. as a manufacturer processing metals, these challenges have made us keenly aware of the importance of the stable procurement of raw materials. Therefore, the theme of this year's CSR report *Resilience - Overcoming any challenging situation with suppleness and integrity.* One of the topics that this special feature focuses on our mineral procurement.

PART 1 Special Meeting with Suppliers

SMIC Group purchases minerals from all over the world and uses them as raw materials to produce other products. In order to ensure a reliable raw material procurement process and to guarantee the integrity of our products, we must cooperate with all of our suppliers. Multiple suppliers are involved in the process of supplying the minerals from mining sites all the way to our plants. In this regard, we held a meeting with our Peruvian suppliers Minsur (tin smelter) and Toyota Tsusho Corporation (trading company) on responsible sourcing and supply.



Discussion Participants

Minsur S.A.	Corporate Affairs Director **Gonzalo Quijandria** (bottom right)	Sales Manager **Pio Davila** (left)
Toyota Tsusho Corporation	General Manager, Non-Ferrous Metals Division, Metals Group **Akio Goto** (top right)	
Senju Metal Industry Co., Ltd.	Director, Executive Officer General Manager of Production Department, Tochigi Segment **Tetsuya Okuno** (left end)	Deputy Divisional General Manager, Purchasing Division **Shinichi Fujiwara** (right end)

How Our Business Began

Fujiwara: I joined the procurement team 12 years ago, and what I have learned from this work is that tin, which is an important material for our company, is the material with an inherent risk, and as Mr. Goto mentioned earlier, it's unevenly distributed.

Goto: Tin (Sn) is the important raw material for SMIC and it is an unevenly distributed resource, we have always been seeking ways for consistent procurement. While the demand for low-lead tin in China has continued to expand since 2000, we have consulted with SMIC many times to determine what we can do for them to ensure a stable supply.

Fujiwara: At that time, the problem of conflict minerals had just begun to emerge. We started to think about the high risks of utilizing base materials only from Southeast Asia, and considered mitigating our risk by purchasing base metals from South America, which is a major tin-producing region.

Okuno: Back then, I was stationed at Senju Comtek, an affiliated company in the U.S. In 2010, I visited several tin smelters in South America for research and inspection with a purchasing manager at the time. During that trip we visited Minsur and had a conversation about conflict minerals, which is how we started our relationship.

Fujiwara: Through our research and discussions, we gained confidence that South American products were worth procuring from a variety of different perspectives, so we asked several trading companies including Toyota Tsusho to purchase Minsur products. Toyota Tsusho understood our passion and they went all the way to Lima, Peru, for further negotiations with Minsur, which was successful and this is how we started the business. We started with spot-based transactions, and in October 2013 in London, during LME Week*1 we met Minsur's CEO, Mr. Juan Luis Kruger, and proceeded with signing our formal, long-term contract.

***1 Annual industry meeting sponsored by** LME (London Metal Exchange)



During our visit to Minsur

COLUMN

Episodes from the SMIC members' trip to Peru

I was very impressed by Minsur's focus on security and safety measures for visitors during my visit to their Pisco Smelter. On the other hand, Minsur members were very friendly and easygoing. We enjoyed our conversations so much that our meeting went way over the scheduled time. In Peru, people eat fish on a daily basis just like Japanese people. I also remember that I was a little confused by the strong flavor of the local drink called pisco sour. On the other hand, the golden Inca cola tasted delicious. (Fujiwara, SMIC)



Pisco Sour



Peruvian fish dish "Ceviche"

The Importance of Creating Meaningful Relationships

Goto: Toyota Tsusho's basic principles of action are based on *On Site, Hands on and In touch*. From the perspective of relationships between companies, I, personally, place value on building win-win relationships, with each company having *the integrity to fulfill their social responsibilities and the sincerity to respond to social issues and needs from a medium- to long-term perspective.*

Fujiwara: On an individual level, I think it's essential to treat other stakeholders with respect along with the intention to understand them. Since 2013 when we signed a long-term contract with Minsur, we traveled to meet them twice and they visited us three times. Considering the physical distance between Japan and Peru, I think we had a good amount of face-to-face communication which I feel has led to a deepened evel of mutual understanding. Importantly, Minsur has a high level of intelligence and robust governance as a company, for example, we didn't have to go through the ISO terminology with them at all.

Goto: I agree, as Toyota Tsusho, that we are good partners as we take this journey to create a better world together through tin.

Fujiwara: It is very reassuring to know that we are on the same ship, facing the same challenges in this business situation.

Pio: In fact, until 2013, we had outsource agents and suppliers in the European and the US markets, for a long time there was no business elsewhere. We had those agents manage our business, so we didn't really know how our materials were being used. Kruger became our CEO in 2013, and then we really stepped up our business and started doing business in other areas of the world. In Japan, Toyota Tsusho introduced us to SMIC, and since then, we built strong relationships with SMIC, our important customer. When I visited their Tochigi Segment Matsuyama Factory, I was very impressed by how well the manufacturing site was organized, and how naturally the rules were followed by employees. I learned a lot. Establishing trust takes time. I believe it is essential to build good relationships through sharing values and meeting each other in person. So it's very important for us to know what our customers do and how they manufacture things.



Minsur S.A.
Mr. Pio

Engaging Social Responsibility

Global Warming Countermeasures

Gonzalo: Minsur, along with other ICMM[*2] participants have committed to achieving net-zero greenhouse gas emissions (Scope 1 and 2) by 2050. Minsur is in the process of preparing a road map targeting 2030, and we are working to introduce clean vehicles and improve the eco-efficiency of the mining process as a whole. We are also working on an energy conversion program focusing on renewable energy, and have begun research into alternative energy sources such as solar, hydrogen gas, and wind energy.

***2 ICMM:** The International Council on Mining and Metals. An international organization focusing on creating a safe, just and sustainable environment for producing minerals and metals.



During the Minsur members' visit to SMIC

Goto: The Toyota Tsusho Group has been taking actions to promote carbon neutrality a top priority since 2021. In April 2022, we set up Carbon Neutrality Promotion Department to accelerate decarbonization efforts. We are driving a roadmap 2030 for achievement of carbon neutrality, focusing on our five business areas of strength, (1)Renewable Energy and Energy Management, (2)Battery, (3)Hydrogen and Alternative Fuels, (4)Resource Circulation and 3Rs, and (5)Economy of Life. In particular, our Metals Division, which serves as a liaison with SMIC, contributes to the transition to a carbon neutral society by reducing CO_2 emissions from automotive, manufacturing and energy plant construction through the use of clean energy and innovative technologies. We also contribute to the development of a recycling-based society by transforming waste into resources for manufacturing.

Okuno: Two years ago, we established Environmental Vision 2050, and we are working to reduce CO_2 emissions in Scope 1 and 2 on the company level in order to realize a low-carbon society. In 2021, we began examining the use of clean energy and renewable energy at our business sites, including affiliated companies, promoting efforts toward carbon neutrality.

While solder is a material that requires a lot of electricity to be melted, we succeeded in commercializing low-temperature solder that can be melted at a lower temperature (melting point -80 °C). This is expected to dramatically reduce power consumption at both soldering factories and at soldering sites.

Fujiwara: The Procurement Department carefully examines the origins of purchased goods and strives to procure such goods that conform to the concept of carbon neutrality. Specifically, the Procurement Department is concerned with the Scope 3 (emissions from other companies related to business activities), since 2021 we have been monitoring the current level of CO_2 emissions from procured products. We then look for materials with low CO_2 emissions among the same parts and materials to see if they are compliant with our standard. For example, we are verifying whether plastic materials derived from biomass resin can be used in solder containers and spools we use. We are also experimenting with the possibility of replacing steel used in bearings with electric furnace materials that emit less CO_2 than conventional blast furnace materials.

Responsible Mineral Supply and Procurement

Gonzalo: At Minsur, we recognize our social responsibility of the mine and all of our operations in providing raw materials. As a smelter, we implement responsible mineral supply policies and due diligence processes to achieve a sustainable society. We concentrate ore only from our mines and supply responsibly to our two smelters (Pisco in Peru and Pirapora in Brazil). In addition, the two smelters regularly undergo third-party audits by RMAP[*3] conducted by RMI[*4] to obtain certification.

***3 RMAP:** Responsible Minerals Assurance Process
***4 RMI:** Responsible Minerals Initiative

Okuno: Since joining the EICC (now the RBA) in 2011, we have been actively encouraging smelters to participate in the RMAP and obtain the third-party certification as a member of the RMI since 2014. And in 2015, we announced that all of our partner smelters gained RMAP certification.



Senju Metal Industry Co., Ltd.
Okuno

Fujiwara: To date, we keep the list of RMI-certified smelters and work with related departments to buy conflict-free and safe materials. In addition, we make constant announcements and ensure the safety of our partner smelters so that there are no omissions in audits.

Gonzalo: We have policies for sustainability and human rights and apply them to all our smelters and supply chains. In 2021, we signed the United Nations Global Compact, the world's largest sustainability initiative, and enhanced our commitment to the 10 principles in areas such as human rights protection, labor rights, environmental efforts, and anti-corruption. We also protect human rights in accordance with the UN's Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct. Between 2021 and 2022, we conducted a human rights assessment of all our Peruvian and Brazilian operations in our company.

Goto: We, Toyota Tsusho, have constructed a globally diverse

COLUMN

Memories of the Japan visit by Minsur member





When I visited SMIC's Tochigi Segment, I experienced a neatly organized, clean factory possessing high technologies. Japan has a very rich culture, and I was impressed by the values of punctuality, discipline, and diligence shared by Japanese people, as well as the compassion, politeness, and respect for others. The Shibuya Scramble Crossing in Tokyo, known as the world's busiest pedestrian crossing, was indeed a spectacular scene. In Japanese cuisine, there are a great variety of sushi which were very delicious. I also remember how excited I was to see real people wearing kimonos on the streets. (Minsur representatives)

value chain, and we believe that sustainability and CSR that take into consideration human rights, labor environments and the natural environment must be promoted throughout the entire supply chain in each region. We formulated the Supply Chain Sustainability Behavioral Guidelines to foster a common understanding of CSR by suppliers and the Toyota Tsusho Group with the aim of contributing to the development of sustainable societies through understanding and supporting the Guidelines and putting them into practice.

In the case of tin, which is traded with SMIC, we are participating in RMI's survey of conflict minerals every year as a member of the supply chain for being a responsible supplier and procurer.

Okuno: From the perspective of responsible mineral supply, let me ask a question as one of the stakeholders in this area. I think working in a mine is physically challenging, and when I actually visited, I felt that there are various efforts being made in Minsur. Please tell us about your views and attempts to improve labor safety.

Gonzalo: Our company uses a system called MINSEGUR to protect the health and safety of our employees, contractors and communities. All operations in Peru have acquired ISO 45001 certification, the international standard for occupational health and safety management systems. Based on MINSEGUR, we worked on risk management, culture, health and wellness and in 2021 reported the lowest recordable injury frequency rate (RIFR) in the history of the mining sector at 1.50 per 1 million working hours. With these results we were ranked in the top 5 among companies of ICMM.

We are also working to improve the working environment and safety. For example, by replacing ground transportation with air transportation, we are reducing working hours and enabling employees to enjoy more time with their families and leisure time.



Minsur S.A.
Mr. Gonzalo

Goto: Our activities are based on The Toyota Tsusho Group's Policies on Safety and Health. Industrial accidents that occur at Group workplaces are reported without delay according to the Toyota Tsusho Group Industrial Accident Reporting Standards. Root-cause analysis and reoccurrence prevention measures are disseminated across all departments, with the aim of preventing similar accidents.



Toyota Tsusho Corporation
Mr. Goto

Transending the VUCA*5 Era

Okuno: As a manufacturer, our mission is to fulfill our supply responsibility even if we face challenges, so our customers' production is not hindered. Therefore, procurement of raw materials is extremely important. And unexpected events have occurred every month since the beginning of 2020.

Fujiwara: If something happens anywhere on earth, such as the outbreak of the COVID-19 or the Russo-Ukrainian War which is a prolonged quagmire, the logistics (physical distribution and transportation) will be cut off, and it may not be possible to deliver even if there are goods. In terms of trade friction, regarding the sale of products to a specific country, it is often the case that the use of products originating from the other country is avoided or prohibited, and quite often restrictions are imposed on the manufacture of the product. We have to keep the connections so that we don't stop production, no matter what happens. This is why we are always paying attention to procurement.

Goto: As Mr. Fujiwara has just explained, while we enter the era of VUCA, each sales department of Toyota Tsusho strives to provide optimal procurement proposals to our customers by updating and sharing information taking advantage of our global network.

***5 VUCA:** Volatility, Uncertainty, Complexity, Ambiguity

Gonzalo: COVID-19 has made us rethink the way we work and we have transformed our company by investing in prioritize people's health and well-being. However this transformation didn't start from scratch and it was largely because we already had the right amount of knowledge to deal with the pandemic. I think that we have been able to respond to this challenge because we have worked very hard on creating a culture of safety over the past seven years.

Fujiwara: When it comes to resource depletion, it is important to really understand that everything is finite, not just metal resources. And regardless of the one-time use, I think it is also important to always keep recycling and reusing in mind when producing and manufacturing. From this perspective, we are actively using recycled products to meet the needs of the times and protect the global environment.



Senju Metal Industry Co., Ltd.
Fujiwara

Goto: As a manufacturing trading company, Toyota Tsusho will actively engage in business investment, management and recycling, particularly in the field of commercial materials such as Lithium and rare earth resources, which contain price volatility and the risk of resource depletion.

Fujiwara: In 2021 a cold wave hit the North American continent, and many manufacturers had to shut down their operations. Natural disasters can occur anytime, anywhere, thorough preparation is necessary to respond to such an event. In addition to preparing multiple options for suppliers for particular raw materials, we require the supplier has multiple production sites. Establishing a BCP is a critical requirement for a company, and we also place importance on this aspect as a procurer. In this regard, the fact that Minsur has two mines and smelters provides us with peace of mind and a sense of stability.

Goto: In terms of compliance and crisis management, Toyota Tsusho Group prepares a collaborative system beyond each headquarter, which enables us to communicate and constantly monitor what's happening in the world while working with external parties. Focusing on the development of talent and DX is one of our priority measures, in order to further enhance corporate resilience. We continue to work with our customers and suppliers to improve our internal infrastructure, including education, and reexamine current operations.

Okuno: After sharing and discussing each other's stories, I learned that both Minsur and Toyota Tsusho have a lot of proactive groundwork in place to resiliently overcome an unprecedented situation. I believe that *facing challenges with faith on a daily basis* and *seeing things through with integrity are exactly what we need to do* as a company. Once again, I am grateful to be able to team up with a business partner who can share an identity beyond countries and cultures. I want to continue our relationship by supporting each other and to be able to face things with faith and resilience. Thank you for the memorable experience today.

All: Thank you.

Minsur S.A.

Minsur S.A. is a Peruvian mining company owned by Breca Business Group since 1977, which conducts mining, smelting and refining of tin and gold. Headquartered in Lima, Peru, the company owns the San Rafael mining facility located in the Antauta region of Melgar, Puno, which accounts for 12% of the world's tin production. The company's other assets include the Pucamarca gold mining facility, located in the municipality of Palca, Tacna, and a tin smelter in the district of Pisco, Ica.

Minsur's purpose is to *improve life by transforming minerals into wellness* and supply metal materials to customers around the world, including Europe, South America, Asia and North America.

Toyota Tsusho Corporation

Toyota Tsusho Corporation was founded in 1948 as the trading company for the Toyota Group. Today, Toyota Tsusho, with approximately 65,000 group employees in about 130 countries, strives to contribute to the creation of prosperous societies. Toyota Tsusho continues to expand as a global leader in vehicle exports and automobile production support. The company has seven operating divisions (Metals/ Global Parts & Logistics/ Automotive/ Machinery, Energy & Project/ Chemicals & Electronics/ Food & Consumer Services/ Africa) focused three business fields - the Mobility field contributing to the future convenient society, the Resources & Environment field ensuring the sustainable society, and the Life & Community field supporting comfortable and healthy lifestyles.

Our products are manufactured through various processes around the world, including raw material mining, smelting, and transportation. As part of the supply chain involving the three participants in the discussion introduced in PART 1., Minsur (smelter), Toyota Tsusho Corporation (trading company), and SMIC Group, we are presenting you with a rare glimpse into the Peruvian tin mines in South America and how the smelted minerals arrive at our warehouses.

PART 2 Tin Supply Chain

Mining

Ore mining operation in the mine



A glimpse of the mine





Minsur mines tin ores in a wilderness surrounded by mountains in the center of the South American continent.

Photo: provided by Minsur S.A.

Smelter

Smelting

Extracting metal from tin ores

Refining

Removing impurities from metal



A glimpse of the ore dressing plant and smelting plant





The tin ores mined at this facility are brought to the company's smelter, refined to remove impurities, and shipped out to the world as tin ingots.

Photo: provided by Minsur S.A.

Processing

Product Making

Based on our production plan, tin ingots are taken out of the automated warehouse and sent to the melting furnace together with other blending metal ingots following the recipes to form solder alloy. The alloy are then processed into various shapes of solder.



SMIC

Delivery and Carrying in

Tin is transported by truck from the arriving port to SMIC's Tochigi Segment. After receiving inspection, it is stored in a dedicated automated warehouse.







Trading Company

Logistics

Ship-out, Ship loading, shipping

Tin ingots are shipped from the port in Peru, South America to Japan.





Efforts to achieve a Zero-Emission society through Our Environmental Vision 2050

It is important for us that we address global environmental issues (such as global warming, acid rain, soil pollution, and water contamination) as critical issues deeply connected to the very existence of humanity, and a common mission for all of us. We will realize a zero-emission society and contribute toward building a sustainable society through our business activities.





Environmental Vision 2050

THE THREE GOALS IN SOCIETY

1 Attain A LOW CARBON SOCIETY

Taking on the challenge of building a zero-greenhouse gas society

Promoting energy saving in our corporate activities

2 Attain A CYCLICAL SOCIETY

Conserving global resources through recycling

3 Attain a society that lives in HARMONY WITH NATURE

Conserving biodiversity and endeavoring to realize a society with zero-use of harmful chemicals that pose a risk to the environment

Second Environmental Plan

(FY2020 – FY2030)

Efforts towards a carbon neutral business

Reduce CO_2 emissions from level measured in FY2013 (17,328 t-CO_2) by 25% by FY2030

Promote product recycling

Develop products using 100% 3R* materials

Cut use of harmful chemical substances to zero

Zero usage of chemical substances that impact the human body or the environment

Conserve biodiversity

Conserve biodiversity through environmental conservation activities



*3R = Reduce, Reuse,Recycle

Environment

Environmental Policy

ENVIRONMENTAL PHILOSOPHY

We believe conservation of the global environment is the shared mission of all humanity. Based on our mission and with the purpose of realizing a sustainable society, we strive to harmonize our business activities with the global environment, and make every effort to protect our rich nature and diverse ecosystems.

Environmental Administration Structure

We established the Environment Committee as an organization to take measures necessary for reducing our burden on the global environment. The committee deliberates on the formulation and implementation of plans related to pollution prevention and environmental conservation. Every year at the Management Committee, we identify environmental risks and opportunities, and decide our environmental activity policies based on items identified.

Environmental Management System

We defined our environmental philosophy and environmental policy, which serves as the guiding principles for environmental activities. A total of 17 sites in Japan and overseas have obtained ISO14001. They have formulated their own environmental management systems and have been conducting PDCA accordingly.
With regard to our four priority themes relating to the environment (reducing greenhouse gases, reducing waste, reducing harmful chemicals, and nature conservation activities), each site and business unit both in Japan and abroad set annual goals and action plans, and conduct activities aimed at reducing our environmental footprint.

Environmental Risk

We determine various environmental risks such as climate change problems and pollution caused by waste, sets strict voluntary administrative standards for preventing environmental accidents and pollution accidents, and takes various measures to address these in conducting business. In order to minimize damage expected in the event of an emergency, we conduct emergency response drills once per year.
In FY2021, we did not have a single environmental accident or pollution accident. We will continue to take preventive measures against environmental accidents in the future.

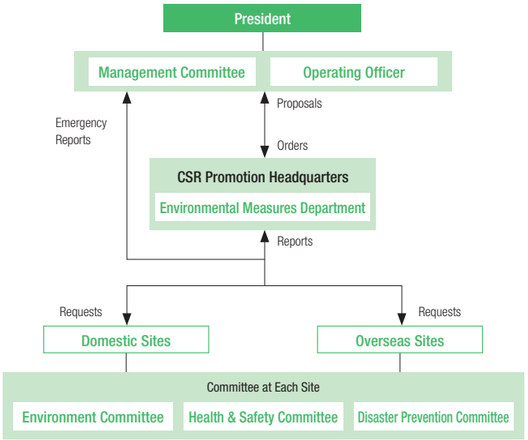
Environmental Training

We conduct various types of environmental training, such as general environmental training (once per year), ISO14001 training (regularly), waste management training (regularly), and emergency response training (during emergency response drills) to raise employee awareness of the environment and to maintain and improve our environmental management system.

Environmental Audits

Compliance evaluators work with managers of related departments to conduct environmental law compliance evaluations twice a year, in order to check that environment-related measurements and notifications have been carried out properly, that there are no problems, and that measures required by law have been taken. They also conduct internal audits once a year to confirm the effectiveness of ISO14001.

Environmental Organizational Chart



Environmental Footprint Material Balance

INPUT		OUTPUT	
Raw Materials	14,735 t	GHG (All domestic bases)	17,482 t-CO_2
Water Supply	459,955 m^3	Scope 1	3,357 t-CO_2
Energy		Scope 2	14,125 t-CO_2
Electricity	38,404 MWh	Drainage	455,355 m^3
City Gas	1,334 km^3	BOD	3 t
LPG	16 t	COD	3 t
A Fuel Oil	16 kl	Chemical Substances *PRTR Notification Targets	15.2 t
Kerosene	18 kl	Final Amount of Waste Disposed	1.2 t
Gasoline	76 kl	Amount Recycled	1,126 t
Light Oil	27 kl		
Chemical Substances *PRTR Notification Targets	793.6 t		

Intake/output diagram of Tochigi Segment, which accounts for the majority of all our Japanese bases

Environment

Greenhouse Gas Reduction

CORE PRINCIPLE

We track our energy usage and greenhouse gas emissions by taking quantitatively monitoring and measuring the environmental footprint caused by its business activities, and promote energy conservation and CO_2 emissions reduction activities to prevent or mitigate global warming.

Reduction of Greenhouse Gas Emissions (Scope 1, Scope 2)

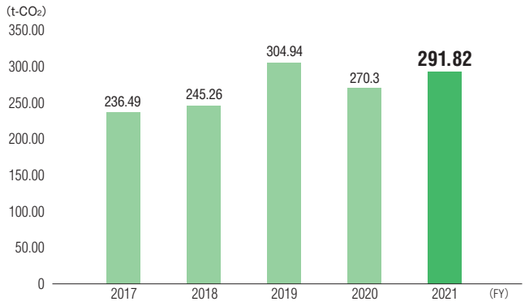
We have improved work efficiency in its factories, upgraded machinery such as air conditioners and transformers, converted to LED lighting in offices and factories, and promoted other activities to save energy as part of its efforts to reduce greenhouse gas emissions. In FY2021, we reduced our greenhouse gas emissions by 291.82 t-CO_2.
Compared to FY 2019-2020 when COVID-19 pandemic was spreading globally, energy consumption increased to 7,046 kl in FY 2021 due to the return of manufacturing volume, as well as expansion of the Kinugaoka Factory at the Tochigi Segment and the Nishiwaki Factory at the Kansai Segment. Despite this, unit consumption decreased due to the dramatic increase in sales.

IMPROVEMENTS (Tochigi Segment)	PREDICTED ANNUAL POWER SAVINGS (kWh/year)
Upgrading compressors	22,057
Application of a thermal barrier coating to bearing sintering furnace	47,199
Conversion to LED lighting	59,431
Upgrading air conditioners	38,884
Installing blower motor capacitors	27,909

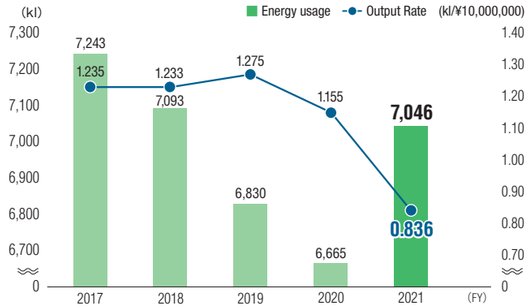
IMPROVEMENTS (Tochigi Segment)	ANNUAL REDUCTION OF GREENHOUSE GAS (m^3/year)
Review the operation of gas boilers	11,477

*Figures in FY2021

Domestic Sites: Reducing Greenhouse Gas Emitting Activities



Domestic Sites: Energy Usage and Revenue Output Rate



Senju Giken Co., Ltd. Receives "Kyushu Regional Power Usage Efficiency Council President's Award"

In February 2022, Senju Giken received the "Kyushu Regional Power Usage Efficiency Council President's Award" in recognition of its proactive efforts to optimize energy usage. The company's efforts to reduce electricity consumption on a daily basis, such as suspending air conditioner operation after hours, replacing outdoor lighting with LED lights, and adjusting fan operation according to the amount of exhaust heat, resulted in an annual energy savings of approximately 15 to 18 kl. This achievement was highly valued.

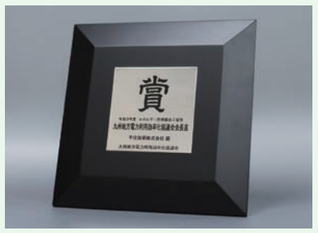

表彰状

千住技研株式会社 殿

貴事業所は、平成○年○月○日、管理標準に基づく不断の努力と、省エネ設備の導入、利用技術の向上を通じ、省エネルギーの推進に大きく貢献されましたので、ここに表彰します

令和四年二月二十五日

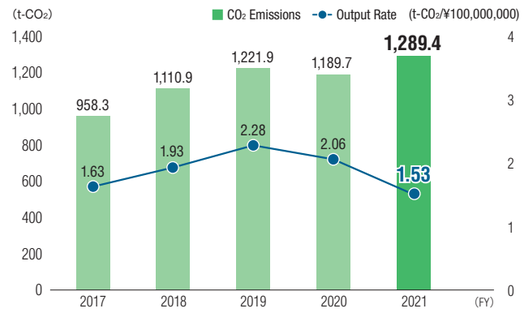
九州地方電力利用効率化推進協議会
会長 栗山嘉文



Scope 3 Emissions

We calculate our annual consignment volume of cargo in Japan from the transport segment and distance for each product category, and monitor and report the items required by Scope 3 of the CDP (Carbon Disclosure Project). In FY2021. our emissions in Scope 3, Category 9 (downstream transport) of the CDP were 1289.4 t-CO_2. This was higher than FY 2019-2020 when the COVID-19 pandemic was spreading globally, due to the return of manufacturing volume, as well as the expansion of the Kinugaoka factory at the Tochigi Segment and the Nishiwaki factory at the Kansai Segment. Despite this, unit emissions decreased due to the dramatic increase in sales. We also monitor CO_2 emissions from employees' commuting trips. In addition, by optimizing truck emissions deliveries used for product shipping, we are reducing CO_2 emissions from our transportation sector as well.

Domestic Sites: CO_2 Emissions and Revenue Output Rate



Waste Reduction / Recycling

CORE PRINCIPLE

We conduct waste reduction and recycling activities based on the principles of 3R (Reduction, Reuse, Recycling).

SMIC Group's Solder Recycling System

In cooperation with TAK-G, our affiliate company, we have been recycling solder for about 40 years. With the emergence of lead-free solder in the 2000s, an old era with two elements, tin and lead, into a new era with three elements, tin, silver, and copper. Today, we use more elements. Because of this development, it was required to install facilities to deal with multiple elements for recycling solder. As a result, we developed special technology that limited the emergence of hazardous materials to the absolute minimum and a solder recycling system that could reproduce high-purity solder in our own refining method. The importance of recycling solder is increasing nowadays, and the amount of recycling has doubled in the last few years, and this is expected to continue.
We assumed *responsibility as manufacturer* to meet stakeholders' expectation as material manufacturers when recycling minerals was not popular. We will continue to actively promote investment in human resources and technological innovation toward further development of a system in which we collect the used solder products of our company and recycle them and the realization of recycling solder with multiple elements in order to achieve a sustainable society with effective utilization of limited mineral resources and the control of air pollution.

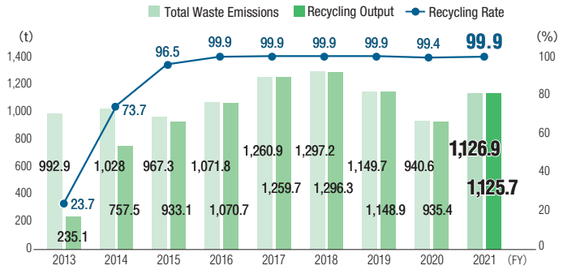


Environment

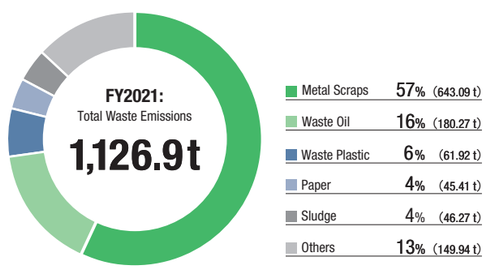
Efforts to Reduce Waste Emissions

We made efforts to reduce waste emissions since 2013, such as recycling solder, collecting plastic byproducts, and recycling bearing product scraps. We have now achieved a recycling rate of 99% of waste.

Domestic Sites: Total Waste Emissions and Recycling Rates



Domestic Sites: Breakdown of Waste Emissions



Overseas Site Data and Initiatives

We conduct environmental activities at its overseas sites and domestic sites alike based on four priority themes related to the environment (reducing greenhouse gases, reducing waste, reducing harmful chemicals, and nature conservation activities). This includes collecting and recycling product containers and packaging, as well as reducing power usage by managing operations of manufacturing equipment. We hold meetings with each overseas site once annually in order to ascertain their annual plan and initiatives, so we can promote initiatives aimed at environmental conservation suitable for their region and circumstances.

Overseas Sites: Total Waste Emissions and Recycling Rate

Reduction of Harmful Chemicals

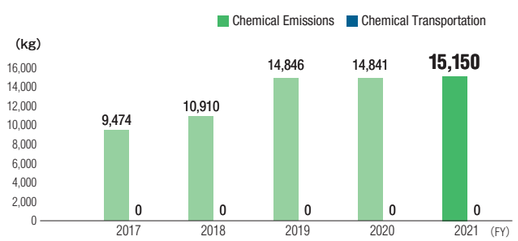
CORE PRINCIPLE

Our development, purchasing, manufacturing, and environmental departments manage chemical substances based on our environmental management system to protect our health and the environment and to realize safe and secure social life. In particular, per our plans we are implementing a reduction or prohibition of the use of chemicals that have a large environmental footprint. We also define reduction goals every year and make focused efforts.

Emissions and Movement of PRTR Law-Specified Chemicals

We comply with the PRTR law to track the amount of applicable substances we handle, emit, and transport.

Emissions and Movement of PRTR Law-Specified Chemicals



Soil and Groundwater Pollution Countermeasures

We are taking the following initiatives as soil and groundwater pollution countermeasures. We also work to prevent pollution by conducting emergency response drills, as well as risk training to prevent leaks of polluted water.

Soil	Voluntary component analysis (once per year)
Water quality and groundwater	Final drain and groundwater inspections (chlorine residue, pH, etc. conducted daily) Component analysis and measurement of drain water and groundwater (conducted monthly)
Rainwater	Voluntary component analysis (twice per year)

Working with Customers

Securing the Quality and Safety of Our Products

CORE PRINCIPLE

We have defined a Quality & Safety Policy, and in order to enable customers to use our products with peace of mind, we strive to improve the quality of our products throughout the product lifecycle.

Quality and Safety Policy

1. We shall comply with related laws and regulations as well as customer demands, and improve customer satisfaction by supplying products and services with consideration for quality and safety.
2. We shall construct, implement, and maintain a quality management system in accordance with our established quality manuals, and continuously improve the effectiveness of this system.
3. We shall set quality policies and targets for activities, conduct regular reviews and as necessary, and evaluate opportunities for improvement (intervals, frequency, and circumstances) of the management system.
4. We shall evaluate the necessity of changes to our quality management system, and if changes are necessary, we shall review our system to maintain its adequacy in light of our management philosophy.

Obtained Quality Management System Certification

We have obtained the international standard ISO9001 at 21 manufacturing sites both in Japan and abroad. Additionally, we have obtained the automotive industry quality management system certification IATF16949 at 17 sites in Japan and abroad.

Initiatives to Improve Quality

To eliminate defects in our deliveries, processes, and acceptances, SMIC has formulated annual quality activity plans and requires each business unit to set its own goals to work towards reducing defects. In case of a defect, we compile recurrence countermeasures, incorporate analysis results into our improvement plans for the following year, and make quality improvements continuously according to the PDCA cycle. We also give quality excellence awards to overseas factories that have made excellent achievements in order to elevate the level of quality of the entire group.

Product Chemical Management

We conduct management of chemicals based on our environmental management system, in order to comply with the RoHS directives and REACH rules, which are European chemical regulation laws made to protect human health and the environment. We have laid out a dedicated team system and are complying with chemical inspections of our products.
Per REACH rules, we have completed full registration of the chemicals we handle and acquired SDS from our suppliers, in order to relay information to customers based on Articles 31 and 32. We supply customers with SDS & GHS labels, compliant with GHS (Globally Harmonized System of Classification and Labelling of Chemicals).

Quality Audits

We conduct internal quality audits twice per year in order to maintain IATF16949 certification, in both our solder division and bearings division at our Japanese manufacturing sites and sales locations including group companies. We also conduct regular quality audits once per year at all of our manufacturing sites both in Japan and abroad. In addition, we conducted remote audits using dedicated web cameras in response to the COVID-19 pandemic.

Preventing Quality Defects

We established our affiliate company Industrial Analysis Service (IAS) in 1972 for defect prevention purposes. As a third-party institution, IAS conducts inspection and analysis processes that are typically done internally. We decide pass or failure results based on the results of that analysis, which helps to prevent cheating and false pretenses in the inspection process.

Initiatives to Improve CS

We are striving to drive CS (Customer Satisfaction) through working to improve our sales activities and technology innovation by making proposals to customers, engaging in joint development, participating in technology seminars and technology conferences, and exhibiting at exhibitions. These efforts have been highly evaluated, and in FY2021 we won the awards shown on the below.



Intel EPIC Outstanding Supplier Award



Hitachi Construction Machinery Co., Ltd. Class A Factory Certification



Nissan Motor Co., Ltd. Certificate of Appreciation for Excellent Quality

Working with Suppliers

Procurement Activities

CORE PRINCIPLE

We comply with laws relating to procurement and automotive industry fair trade guidelines set forth by METI (the Japanese Ministry of Economy, Trade and Industry) in order to define the basic stance of our purchasing policy (practice fair and faithful procurement with an emphasis on respect for suppliers), as well as our CSR procurement policy when conducting procurement from suppliers.
Our basic stance toward our suppliers is to request they follow the requirements of IATF16949, ISO9001 and ISO14001, as well as item 14 of the supply chain assessment guidelines defined by the RBA such as observation of law and social norms and the promotion of a business continuity and recovery plan in case of emergency.
We will continue to observe procurement compliance and work towards establishing a safe and secure supply chain in order to contribute to society through procurement and build good relationships with our suppliers.

CSR Sourcing Policy

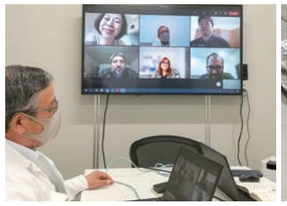
1	Senju Metal Industry Co., Ltd. "Quality and Safety Policy"
2	Senju Metal Industry Co., Ltd. "Environmental Policy"
3	Senju Metal Industry Co., Ltd. "Purchasing Policy"
4	Senju Metal Industry Co., Ltd. “Basic Stance Toward our Suppliers”
5	IATF 16949 requirements that must be considered for deliverables
6	Environmental management requirements that must be considered for deliverables

Basic Stance Toward Our Suppliers

1	Compliance with laws and social norms
2	Consideration of human rights and labor
3	Consideration of Health & Safety
4	Prohibition of bribery and fair trade
5	Healthy business management
6	Provide quality, timely delivery, and a steady supply
7	Preparation for emergency and business continuity
8	Consideration for the environment
9	Promotion of responsible mineral procurement
10	Emphasis on VE (Value Engineering) activities
11	Emphasis on provision of information
12	Information security
13	Eliminating relationship with antisocial forces
14	Social contribution

CSR Procurement Initiatives

Our procurement departments and the related development and manufacturing departments conduct audits of suppliers both in Japan and abroad, according to yearly plans. In FY2021, as in previous years, our suppliers in Japan and abroad cooperated with our supply chain assessment, and no problems were found.
Even under the negative influence of COVID-19, we conduct online meetings with suppliers and endeavour to maintain close communication with them.





Initiatives in Responsible Mineral Procurement

In January 2011, we joined the RBA (Responsible Business Alliance), and have built close relationships with customers in the electronics industry. Since 2014, we have been a member of the RMI (Responsible Minerals Initiative), and have urged our refineries to submit to the RMAP (Responsible Minerals Assurance Process) and obtain third party certification. In February 2015, all of our supplier refineries received RMAP certification.
Moving forward, in order to conduct responsible mineral procurement as a means to address a wider range of risks than the conflict minerals we have addressed so far, we will call on all of our supplier refineries to renew their RMAP certification, with the aim of sustaining a safe and secure supply chain for SMIC products.

Responsible Business Alliance
Advancing Sustainability Globally

RESPONSIBLE MINERALS INITIATIVE

Working with Employees

Our Principle on Human Resources

CORE PRINCIPLE

We consider our employees to be important assets. In light of this, we respect the human rights and personality of each individual employee, and are striving to build workplace environments where a diverse range of human resources can realize their potential.

Respect for Human Rights

Basic Policy on Human Rights and Labor

We define our policy and goals for human rights and labor in its Basic CSR Policy and Practical CSR Goals, respectively. Embracing the principles of Ability, Integrity, and Fighting Spirit noted in our management philosophy, we are striving to build an environment where employees can work enthusiastically. Based on the belief that harassment absolutely must not be tolerated, we conduct harassment prevention training to better educate our employees.

Fair Evaluation and Our Personal Statement System

We conduct human resource evaluations twice a year in order to apply the results to proper guidance for capacity development and human resource training. Through this process, we fairly and justly evaluate the work performance abilities of employees, and reflect our findings in promotions, raises, and bonuses. We have also established a personal statement system with the purpose of improving our workplace environments. Individual employees answer an annual questionnaire of what they think about and what they want from their jobs and workplace environments. Through these initiatives, we are working to make improvements that will enable employees to better fulfill their potential.

Human Resource Training

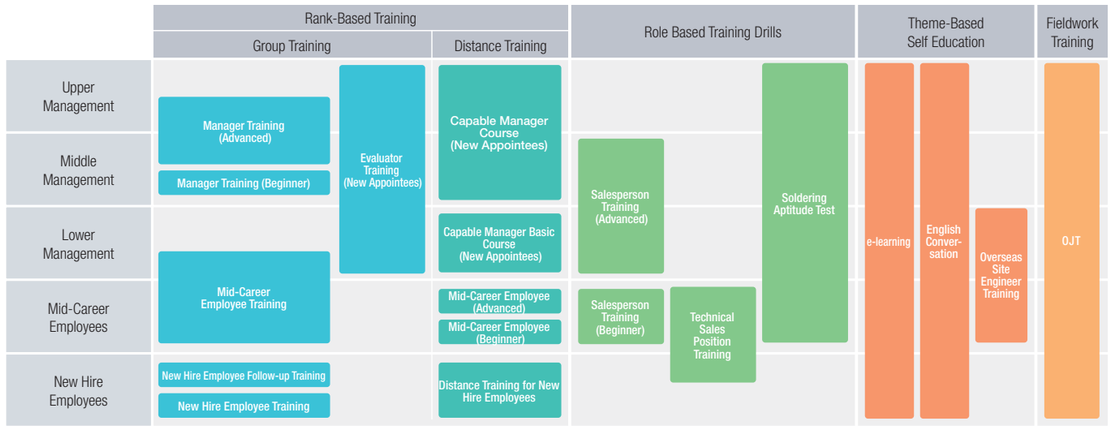
We encourage all employees to constantly work to obtain new knowledge, with the aim of cultivating professionals who are capable of making rational decisions from a broad perspective. We conduct appropriate training at every level and separate training for all employees, having examined effective methods based on training implementation regulations.
Since FY2020, we have conducted soldering aptitude tests with the purpose of improving quality and skill of soldering among employees. While such a program exists for employees, we aim to expand training to include a soldering school for our customers as well, as an effort to establish the new culture of SMIC Group firmly.



Soldering Aptitude Tests

Education Support System

We have established a scholarship fund grant program with the purpose of aiding employees as they advance to undergraduate or graduate university programs to obtain more advanced and sophisticated knowledge and skills. In order to encourage employees to engage in voluntary self-improvement and support them as they obtain more sophisticated skills and knowledge, we also offer Assistance for Acquiring Special Skills.



Working with Employees

Health & Safety

CORE PRINCIPLE

We have clearly stated the basic steps necessary to prevent workplace accidents, with the aim of enriching its health and safety activities. We have also established health and safety management regulations and a Health & Safety Policy, for the purposes of ensuring the health and safety of our employees, and promoting the formation of comfortable workplace environments.

Health & Safety Policy

1. We shall enrich our health and safety activities based on the Labor Standards Act and Industrial Safety and Health Act of Japan, in order to promote the formation of comfortable workplace environments.
2. The company shall establish a health and safety management system, and actively promote necessary measures though its organizations and managerial posts in order to prevent labor accidents.
3. Employees shall comply with the law and rules established by the company, and work to prevent labor accidents and promote maintenance of health.

Labor Health & Safety Management

Based on the law, we have established health and safety management systems according to the scale of each site. We prepare annual activity plans that define activity goals and priority activities, and conduct health and safety activities based on these plans.

Incidence of Serious Labor Accidents

We have kept our rate of labor accidents (accident rate) below the industry average for the entire Japanese manufacturing industry.

	FY2017	FY2018	FY2019	FY2020	FY2021
Accident Rate	0.47	0.49	0	0	0

* Frequency Rate of Labor Accidents: Number of labor accidents (accidents resulting in death, or injuries causing loss of work for one or more days or loss of partial bodily functions) / Total working hours × 1,000,000

Safety Training

We regularly conduct the following training for employees, so that they can learn knowledge and skills relating to health and safety.

- Training at the time of hiring
- Education and training when responsibilities are changed
- Special training for employees doing hazardous or harmful work
- Foreman training (including refresher training for employees who have been in-training foreman for five years)
- Other health and training for supervisors
- Health and safety training to improve health and safety standards for employees doing hazardous or harmful work
- Training for qualified personnel (forklift drivers, etc.)

Health Maintenance

We conduct health examinations and has established a consultation counter in accordance with the law. In order to reduce the burden of personal injury and illness suffered by employees, we have established a system for employees to enroll in cancer insurance at the company's expense. We also have a system for the company to bear part of medical expenses incurred at a medical institution for one month. This helps to relieve the individual burdens for employees.

Support Suited to Each Workplace

At our factories, we supply employees with salt-fortified foods as a preventive measure against heat stroke in summer, and also milk as a health measure, in order to maintain their health and to support their ability to work safely.

Various Systems		Frequency / Period	Details
Health Management	General Health Examinations	1 time / year	Implementing general health or lifestyle-related disease medical examinations for employees.
	Lifestyle-related Disease Medical Examination	2 times / year	Implementing guidance on lifestyle improvements for those who desire it.
	Special Health Examination	2 times / year	We conduct health examinations with special items for employees engaged in hazardous work as stipulated by law.
	Stress Checks	1 time / year	Complete questionnaires and offer advice to encourage individual mental health care awareness and lifestyle changes.
Welfare	Cancer Insurance System	25 years old or older	The company pays the insurance premiums for employees 25 years of age or older who enroll in cancer insurance, thereby reducing the burden of unexpected cancer-related diseases on employees.
	Medical Expense Reimbursement System	As needed	The company bears part of the cost of medical insurance required for treatment of illness and injury suffered by employees in their private lives.
Other	Consultation Office	Anytime	Workplace and job counseling with vocational counselors.

Making Worker-Friendly Workplaces

CORE PRINCIPLE

We are working to build workplace environments where employees can work energetically, such as by providing support for work/life balance and conducting activities to improve the welfare and mutual kinship of employees.
In addition, we have taken various measures and made improvements so that employees can work with peace of mind, such as reducing and managing long working hours by tracking working hours and hours in the office with an employee attendance system.

Supporting Work / Life Balance

We have established childcare leave and family care leave systems based on the Child Care and Family Care Leave Act, so that employees can maintain work/life balance and work with peace of mind.
We have also taken measures to reduce prescribed working hours at the request of employees. This system is in fact used by employees who have small children so that they can balance childcare with their career.

Welfare and Social Interaction for Employees

Our in-house organization *Senyukai* holds group and recreational activities with the purpose of encouraging social interaction among employees. We have also established a Labor Committee with the purpose of improving workplace environments and ensuring safety at work as the representative of employees. This committee actively contributes to realizing safe, worker-friendly workplaces and the development of the company.



Hands-on event of hunting for bamboo shoots organized by Senyukai in the premises of Kinugaoka Factory



Activities held by the flower arrangement group at Soka Segment

Diversity

CORE PRINCIPLE

We respect the diversity of differences between individual employees, such as ethnicity, gender, work history, age, values, family structure, and lifestyle. By utilizing these differences, we can effectively adapt to the constantly changing business environment and diversifying needs of customers, and believe in the potential of each individual employee so that they can demonstrate their abilities. In order to make this possible, we are addressing diversity, with the aim of *realizing workplaces where employees feel happy, can stay longer, and do rewarding work with peace of mind.*

Promoting Advancement of Women

We have formulated a general entrepreneur action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace, and is working to promote the advancement of women.

Training & Seminars

We regularly host training and seminars according to the needs and circumstances to promote the ambition of our employees.

Employment of Disabled People

We have long worked to employ disabled people, and has developed workplace environments where people with disabilities can work enthusiastically and with peace of mind.

Hosting Diversity Study Groups

At diversity study groups, we set themes each time with a focus on *differences among employees* and have the participants speak with each other about their experiences and circumstances. This allows participants to share their own ideas, advice, and efforts, so they can make *new discoveries*. These study groups also offer a chance to build more worker-friendly environments and allow for deeper mutual understanding between employees and between the company and employees.

In FY2021, we held a total of seven study sessions in which participants actively exchanged ideas on a variety of topics, including the annual study session focusing on new employee motivation. The topics included "How to do business globally and be overseas-oriented" presented by members with experience with overseas assignments, and "The protocol for young development team members engaged in R&D work" and "Life plans from the age of 50 onward".



Working with Employees

Employee Data

	FY2017	FY2018	FY2019	FY2020	**FY2021**
Employees					
In Japan	1,694	1,731	1,747	1,761	**1,626**
Overseas	643	627	631	596	**622**
Total *Numbers in parentheses are the ratio of women	2,337 (35.0%)	2,358 (36.0%)	2,378 (36.8%)	2,357 (37.5%)	**2,248** **(36.3%)**
Regular Employees					
Male	—	1,233	1,242	1,201	**1,271**
Female	—	569	533	530	**619**
Contract Employees					
In Japan	—	518	488	468	**312**
Overseas	—	38	115	158	**46**
Total *Numbers in parentheses are the ratio of women	—	556 (50.2%)	603 (56.6%)	626 (56.4%)	**358** **(54.7%)**
Managers (In Japan)					
Male	100	105	116	119	**167**
Female	5	6	7	9	**17**
Ratio of Female Managers	4.76%	5.41%	5.69%	7%	**8%**
Managers (Overseas)					
Male	—	—	74	47	**55**
Female	—	—	42	38	**42**
Ratio of Female Managers	—	—	36.21%	44.7%	**43.3%**
Recruiting Situation					
Male	44	79	47	23	**60**
Female	16	23	18	19	**25**
Total	60	102	65	42	**85**
Turnover (3 years after hiring)	10.0%	15.6%	16.9%	17.59%	**13.5%**
Various Leave Systems					
Average Days of Paid Leave Taken / Year (days)	7.4	9.8	8.5	9.08	**11.1**
Average Rate of Paid Leave Taken	59.41%	62.63%	62.49%	58.2%	**56.85%**
Employees Taking Child Care Leave	8	12	10	22	**14**
Return Rate After Child Care Leave	100%	91.70%	100%	100%	**93%**
Employees Taking Family Care Leave	3	1	0	1	**1**
Return Rate After Family Care Leave	33%	100%	100%	100%	**100%**
Labor Hours					
Average Overtime Hours / Month (hours)	13.7	15.6	14.4	9.03	**11.5**
Employment of Disabled People					
Number of Disabled Employees	18	17	16	16	**17**
Ratio of Disabled Employees * Numbers in parentheses are the legal employment ratios	2.2% (2.0%)	2.2% (2.2%)	2.1% (2.2%)	2.02% (2.3%)	**2.2%** **(2.3%)**

Activities of Social Contribution

Culture / Education / Community Outreach

Providing solder materials for industrial arts lectures to public junior high schools

Headquarters | 2021



Providing solder materials for the copper mirror casting and polishing experience booth at Chiba Science Museum

Headquarters | 2021-2022



Cleanup of Okitama Shrine

Kansai Segment | 2021.5.21 / 2021.9.23 | 56 people



Supporting victims of major fire disasters

Senju Solder (Phils.) Inc. | 2022.3.14



Myoko Cafe

The Adachi-ku organization for people with disabilities *Yu-Ai Kai** operates cafés and shops at various facilities in Adachi-ku, Tokyo and provides people with disabilities with places to work every day.
Myoko Café located in a corner of the main office of SMIC is one of them accepting people with intellectual disabilities using the Adachi-ku welfare facilities for people with disabilities.
We provide them with opportunities to connect with society through work. The Jobs at *Myoko Café* increases their opportunities to move around on public transport for themselves. We support them in fostering positive and independent characteristics by doing each and every detailed operation such as exchanging messages over the telephone, café operations, and bread sales and to acquire more sophisticated social skills.
SMIC affirms the activities. Since 2005 when the former mail office building was rebuilt into the current one, we have been supporting their activities by providing the café space, paying for their utility costs, and ordering drinks when we have internal meetings.

* This is an organization established about 40 years ago. Its aims are for groups of families of those who have impaired eyesight, hearing impairment, trouble in arms and legs, intellectual disabilities, and who became disabled in the middle of their lives due to accidents or illnesses come together to understand each other's disabilities, to promote sociability, and to provide places to work.





Activities of Social Contribution

Culture / Education / Community Outreach

Donations to an organization for people with disabilities

Senju (Malaysia) Sdn. Bhd. | 2022.4.1



Donations to needy families

Senju Metal (Huizhou) Co., Ltd. | 2022.1.20



Book donations for children in poor areas

Senju Metal (Shanghai) Co., Ltd. | 2021.12.28



Donation to organization supporting women

Senju Electronic (Taiwan) Co., Ltd. | 2021.10.26



Sekido Museum of Art

Sekido Museum of Art inside the SMIC headquarters building was established by the Sato Artcraft Research & Scholarship Foundation in April 2006, with the purposes of promoting cultural exchange and mutual understanding between countries and refining culture in Japan, both through arts and crafts. Works in the museum's possession were built up from the collection of the late Honorary Chairman Senju Sato, and the museum's name *Sekido* is in fact the alias of Mr. Sato himself.

After a long closure due to the COVID-19 pandemic, the museum reopened in May 2022. The first exhibition upon reopening was the "50th Anniversary of Traditional Japanese Metal Crafts Exhibition", followed by the current "Korean Ceramics Exhibition" (until November 27, 2022). The next planned exhibition is "Traditional Some-tsuke Exhibition (tentative title)" (January 15 - March 31, 2023).



Natural Environment Protection

Arakawa waterfront supporters

Headquarters | 2021.11.6 | 7 people



Moka environment partnership meeting

Tochigi Segment | 4 times / per year | 40 people



Conservation of Satoyama [an area where farmland meets the forest] Volunteer

Kansai Segment | 2021.7.4 / 2021.10.24 | 17 people



Release of landlocked salmon fry into the Sunatetsu River

Senju Electronic Corp. | 2021.10.2 | 7 people



Guardrail cleaning

Senju Electronic Corp. | 2021.6.19 | 74 people



Yaetsu Beach Cleanup Activities

Senju System Technology Co., Ltd. | 2021.7.22 | 7 people



Beach Cleanup Activities

Senju Electronic (Taiwan) Co., Ltd. | 2021.4.30 | 22 people



Cleanup activities in the forest reserve

Senju Comtek Corp. / Senju America Inc. | 2021.9.18 | 8 people



Governance

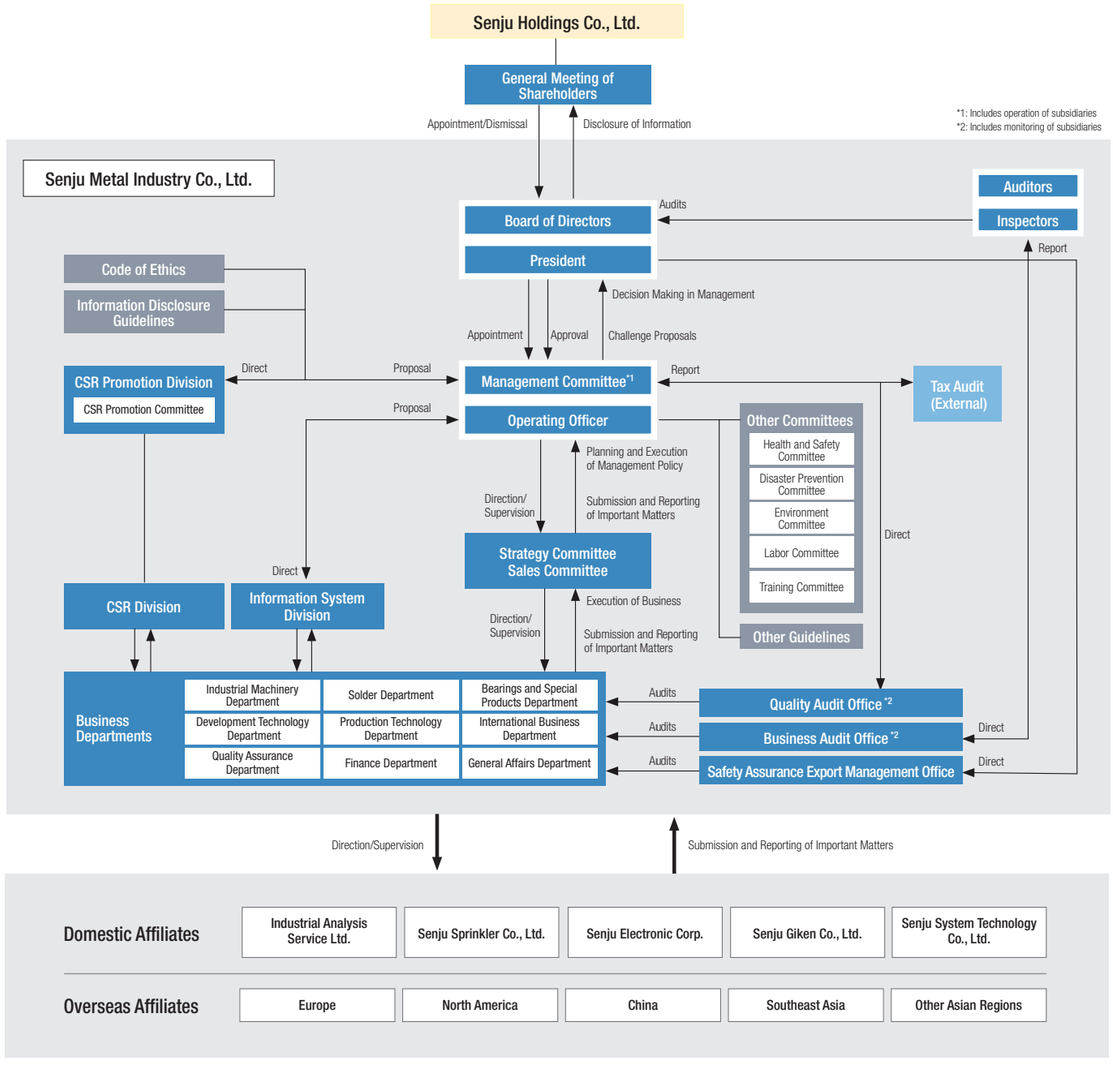
Corporate Governance

BASIC POLICY

We will develop and operate its management system and construct its corporate governance system, while maintaining sound, fair, and highly transparent management, and adapting to the changing times. The basic policy of the group is to fulfill its explanation responsibilities by disclosing information in a fair manner to all stakeholders.

Corporate Governance System

We are working to augment our governance through our meetings of shareholders and board of directors based on the law, as well as by assigning corporate auditors, inspectors, and tax auditors, and by developing the CSR Promotion Headquarters, Management Committee, and Strategy Committee.



Company Officers



President
1 Ryoichi Suzuki

Representative Director
2 Tomohide Hasegawa

Executive Director
3 Yuji Kawamata

Board of Director
4 Yuka Sato
5 Tetsuya Okuno

Corporate Auditor (External)
6 Shoju Sato

Inspector
7 Kazutoshi Sakaguchi

Counselor
8 Motoyuki Ohtake
9 Yasuhiro Ishii
10 Setsuo Tanaka

Deputy Director
11 Toshimaru Sumiyashiki
12 Satoru Akita

Board of Directors and Business Execution System

Board of Directors

The Board of Director consists of 5 directors, 1 corporate auditor, and 1 inspector. It follows relevant laws and regulations as well as the Articles of Incorporation to appoint or dismiss executive officers and make resolutions on the agenda from the Management Committee, as the final decision-making body of SMIC business management. We have established ethical regulations and information disclosure regulations, which are defined separately as indicators for deliberations and decisions by the Board of Directors.

Management Committee

The Management Committee consists of directors and executive officers. It deliberates on legal matters and determines or approves important matters in the execution of business. It also submits matters related to business execution to the Board of Directors that should be deliberated or decided by the Board of Directors.
We have established various other regulations, BCP management regulations, crisis management regulations, and information security regulations, which are defined separately as indicators for deliberations and decisions by the Management Committee.

Executive Officer System

We have introduced an executive officer system, and the executive officer general managers appointed by the Board of Directors manage the division of duties among departments they are in charge of. Based on the business plan of the company, they formulate and execute the business plan of the departments they are in charge of. As officers in charge, they give direct orders on important matters in guidance of the department they are in charge of.

Audit Supervision System

Auditors and Inspectors

We have appointed one auditor and one inspector. These officers carry out audits of daily management activities, including the execution of duties by directors.
Corporate auditors and inspectors attend the Board of Directors, where they fulfill their duty to prevent illegal or exceedingly unjust resolutions from being made, as well as to ensure the conduct of activities according to the law.

Introduction to Directors, Auditors, and Executive Officers

	Name	Operating Officer	Board of Directors	Management Committee
President	Ryoichi Suzuki		○	○
Representative Director	Tomohide Hasegawa	○	○	○
Executive Director	Yuji Kawamata	○	○	○
Board of Director	Yuka Sato	○	○	○
Board of Director	Tetsuya Okuno	○	○	○
Corporate Auditor (External)	Shoju Sato		○	
Inspector	Kazutoshi Sakaguchi		○	○
Counselor	Motoyuki Ohtake	○		○
Counselor	Yasuhiro Ishii	○		○
Counselor	Setsuo Tanaka	○		○
Deputy Director	Toshimaru Sumiyashiki	○		○
Deputy Director	Satoru Akita			○

Governance

Risk Management

PRINCIPLE AND RISK MANAGEMENT SYSTEM

As a matter of responsibility for a company located upstream on its supply chain, we have assumed all manner of risks listed below. In response to this, we have established dedicated business units and committees to respond to each risk and are taking measures to prevent risks and minimize losses.

Possible Risks

- Natural disasters such as earthquakes and typhoons
- Information security risks such as Information leaks and unauthorized access
- Intellectual property risks such as patent infringement and technology leakage
- Risks concerning human rights and labor rights such as harassment
- Infectious diseases such as the novel influenza and COVID-19
- Export management risks including safety assurance trade
- Environmental risks such as climate change problems and waste contamination, etc.

Initiatives Toward Business Continuity

We conduct evaluations, analysis, and countermeasures of various risks to keep damage to a minimum, build up our risk management in order to enhance the potential for continuity of business, implement a system to promote rapid recovery of important business, and formulate various plans such as our Plan For Recovery of Equipment After Disasters. We are also augmenting our backup system, so that when there is a site experiencing extreme difficulty with production due to a disaster or other emergency, we can continue production in collaboration with other sites in Japan and overseas.

Regular Emergency Drills

We conduct evacuation drills, firefighting drills, and first aid courses (AED courses) with guidance from fire departments and security companies, in order to protect the life and limb of employees from disasters such as earthquakes and fires.
We also participate in comprehensive fire drills conducted by fire departments with jurisdiction, in an effort to strengthen collaboration with local communities.



Evacuation Drills

Production Backup System to Ensure Stable Supply



Corporate Secret Management / Personal Information Protection

We have established Corporate Secret Management Regulations and Personal Information Management Regulations, and is working to prevent leaks of confidential information by managing personal information held by the company, as well as the information of customers and suppliers.
Also, we act appropriately to laws and regulations including the EU GDPR (European Union General Data Protection Regulation).

Information Security

In light of damages suffered due to cyber attacks in recent years, we are further augmenting management and operation of information security. Our Information Security Department formulates basic action plans, and we are improving our capability to detect threats and take adequate backups to ensure that we can contain damages that do occur and recover quickly. Methods of cyber attacks change on a daily basis, so we conduct regular training about rules and threats for employees, and raise awareness of the importance of information security.

Safety Assurance Export Management

We acknowledge issues such as the proliferation of weapons of mass destruction, preventing excess accumulation of conventional weapons, and trade wars between countries. In response, we have placed restrictions on exports to maintain order in states of tension and comply with laws for maintaining international peace and safety, as well as upholding the Foreign Exchange and Foreign Trade Act by the Japanese government. In order to properly implement export management, we have appointed the president of the company as the person in charge of export management from a national security perspective and established the Safety Assurance Export Management Office directly under his purview. As a response to the COVID-19 pandemic, each business unit has been implementing self-check policy since FY2020 as an audit measure.

CLASSIFICATION
The Development Department classifies items by checking against a cargo list (export regulation list) regulated by export control-related laws including the Foreign Exchange and Foreign Trade Act.

TRADE INSPECTIONS
The Sales Department checks applications and end users of exported cargo

SHIPMENT MANAGEMENT
When shipping using logistics, we check that classification and trade inspections are complete, and confirm that cargo upon deliery matches the shipping cargo and leave documentation.

By making notifications on regulations and training, and conducting internal audits once pear year, we maintain regulatory compliance, and have achieved recognition from METI (Ministry of Economy, Trade and Industry) as a company that has developed a voluntary management system for safety assurance trade management.

*From "Official Announcement of Companies Producing Export Management Internal Regulations"
https://www.meti.go.jp/policy/anpo/compliance_programs_pdf/20220810_kouhyougenkou.pdf
(Latest version at the time of publication)

Safety Assurance Export Management Training

We conduct classification and trade inspections, as well as training on safety assurance export management for employees in charge of shipment management. (FY2021: Conducted at 46 business units.)
We also conduct trainings for top management, produce training materials that easily explain relevant laws, and provide trainings to various business units.

Intellectual Property

We make effective use of our intellectual property system for the products and technologies produced everyday by our development and manufacturing divisions, ensuring appropriate security of rights and confidentiality. While respecting others' intellectual property rights, we are committed to developing our original technologies.
Through these activities to support our business, we make further contributions to a sustainable environmental society.



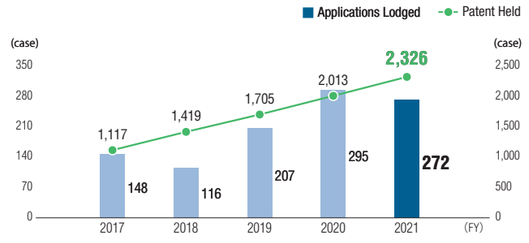
Intellectual Property Education

We regularly host study sessions primarily for the Technology Development Department, take practical initiatives focused on the patent system, know-how management, and patent searches, and are working to improve management of product development and manufacturing risks.

Patents etc. Held

We secure, maintain, and control intellectual property rights for the purpose of protecting and increasing the value of the SMIC brand.

Number of Patent Applications Lodged and Patent Held



Governance

Compliance

CORE PRINCIPLE

We consider our philosophy of management to be essential to compliance, and so has defined its basic compliance policy and practical goals based on the Basic CSR Policy. We have also explicitly stated the importance of compliance in our employee work rules. Employees faithfully follow these policies, goals, and rules, and work to maintain order within the company. The SMIC Group's Basic CSR Policy and Practical CSR Goals serve operate our companies in compliance with fair trade ethical principles.

Status of Compliance Activities

We conduct various types of trainings (CSR training, environmental training, procurement policy for supplier training, safety assurance export management training), as well as internal audits and audits of suppliers in order to comply with various laws relating to our business activities.
In our internal audits, the Business Audit Department conducts several different audits of sites both in Japan and overseas, for the purpose of maintaining sound corporate compliance. This includes safety assurance export audits based on the Foreign Exchange and Foreign Trade Act, CSR audits based on the RBA code of conduct, and information security audits of the handling of confidential information at all sites both at home and abroad.
From FY2020, we introduced documentation-based remote audit at domestic locations in Japan (including group companies) in response to the COVID-19 pandemic. In FY2021, face-to-face audits were conducted only in the headquarters area (Headquarters and Soka Segment). Corrective actions required upon each audit are promptly addressed by each department, leading to continuous improvement of the management system.

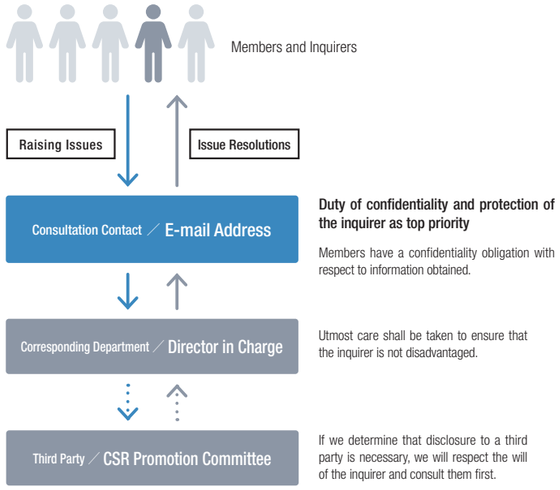
FY2021 Audits (Unit: number of cases)

Audit Target	Business Audits	Safety Assurance Export	Specified Shippers
Senju Metal Industry	78	35	18
Group Companies (in Japan)	28	3	3
Group Companies (overseas)	16	0	0
Committees, etc.	0	0	0
Total	122	38	21

Established an Internal Reporting Hotline System (Smile Mail)

We have established a dedicated internal reporting hotline (Smile Mail) to discover misconducts and take corrective actions early on, which enables employees to anonymously report and consult about problems involving all employees' human rights (harassment, etc.) and problems involving compliance (violations of laws and internal regulations, problems with corporate ethics and social norms, etc.).

Proposals	Complaints
Requests	Opinions
Consultation	Information
Bullying	Harassment



Introduction of New Sites

Chubu Segment, Seto Factory





The Seto Factory at Chubu Segment was opened in August 2021 in Seto-shi, Aichi Prefecture, famous for its "Setomono" ceramic products. In order to expand the market in the Chubu and Tokai regions, home to many in-vehicle application customers, and to strengthen our technical support system for them, the Seto Factory is consists of both a sales arm (the Chubu District Sales Office) and an R&D department (the Seto Research Laboratory). Also located here is a bearing manufacturing department which produces bearings for shock absorbers. Together, they comprise a comprehensive base for sales, manufacturing, and R&D, where the sales and research departments work together to provide customers in the Chubu and Tokai regions with product performance evaluations, prototype sample submissions, and analysis support in a prompt manner.

Site Overview

Location	50-1 Yamanota-cho, Seto-shi, Aichi 489-0975 Japan
Tel	+81-561-89-3160
Fax	+81-561-83-3162
Number of Employees	29

Kansai Segment, Nishiwaki Factory



To strengthen our manufacturing bases in the Kansai region, we opened the Nishiwaki Factory in Nishiwaki-shi, Hyogo Prefecture, known as the "City of Textiles" of Japan in May 2019. This was followed by the Nishiwaki No. 2 Factory opened in April 2022. The Nishiwaki Factory manufactures solder paste, solder preform, and flux, and is responsible for enhancing SMIC's production capacity and BCP.

Site Overview

Location	257-1 Wada-Cho, Nishiwaki-shi, Hyogo 677-0052 Japan
Tel	+81-795-38-8888
Fax	+81-795-38-8700
Number of Employees	100 (including those based at the Naka Factory of the Kansai Segment)

COMPANY PROFILE / NETWORK

EUROPE
5
locations
Of which are manufacturing sites: 1 location

JAPAN
22
locations
Of which are manufacturing sites: 10 locations

ASIA
17
locations
Of which are manufacturing sites: 11 locations

AMERICA
8
locations
Of which are manufacturing sites: 3 locations

SENJU METAL INDUSTRY CO., LTD.

Segments in Japan

Tochigi Segment (Moka-shi, Tochigi)
Matsuyama Factory / Kinugaoka Factory

Soka Segment (Soka-shi, Saitama)

Chubu Segment (Seto-shi, Aichi)
Seto Factory

Kansai Segment (Nishiwaki-shi,Hyogo / Taka-cho, Hyogo)
Nishiwaki Factory / Naka Factory

Domestic Sales Locations

Tohoku District Sales Office (Sendai-shi, Miyagi)
Kitakami Sales Office / Koriyama Sales Office

Chubu District Sales Office (Seto-shi, Aichi)
Matsumoto Sales Office / Toyama Sales Office

Kansai District Sales Office (Kusatsu-shi, Shiga)
Himeji Sales Office / Kansai Special Sales Development Dept (within Naka Factory, Hyogo)

Kyushu District Sales Office (Onojo-shi, Fukuoka)

COMPANY PROFILE

SENJU METAL INDUSTRY CO., LTD. / SMIC GROUP

DUNS# 690663091

ESTABLISHED	April 15, 1938
HEADQUARTERS ADDRESS	23 Senjuhashidocho, Adachi-ku, Tokyo 120-8555
PRESIDENT	Ryoichi Suzuki

BUSINESS SCALE

REVENUE(CONSOLIDATED)	¥113,073 million (April 1, 2021 - March 31, 2022)
CAPITAL (SIMPLE)	¥400,000,000
EMPLOYEES (CONSOLIDATED)	2,248 (As of March 31, 2022)

BUSINESS PORTFOLIO

- Smelting, alloying, casting, and expansion of metals, manufacture and sale of processed goods
- Manufacture and sale of metal powders and bearings
- Manufacture and sale of solvents and adhesives for soldering
- Manufacture and sale of soldering equipment
- Manufacture and sale of fire extinguishing equipment (affiliated company business)
- Manufacture and sale of machinery related to the above businesses
- Internal dispatch business

Headquarters



Segments in Japan


Tochigi Segment Matsuyama Factory


Tochigi Segment Kinugaoka Factory


Soka Segment



Chubu Segment Seto Factory


Kansai Segment Nishiwaki Factory

Affiliated Companies in Japan


Industrial Analysis Service Ltd.


Senju Sprinkler Co., Ltd.



Senju Electronic Corp.


Senju Giken Co., Ltd.



Senju System Technology Co., Ltd.

LIST OF MAJOR AFFILIATED COMPANIES

JAPAN

Industrial Analysis Service Ltd.
Senju Sprinkler Co., Ltd.
Senju Electronic Corp.
Senju Giken Co., Ltd.
Senju System Technology Co., Ltd.

AMERICA

Senju America Inc.
Senju Comtek Corp.
Senju Fire Protection Corp.

EUROPE (GERMANY, CZECHIA)

Senju Metal Europe GmbH
Senju Manufacturing Europe s.r.o.

ASIA

Senju (Malaysia) Sdn. Bhd.
Senju Trading (M) Sdn. Bhd.
Senju (Thailand) Co., Ltd.
Senju Solder (Phils.) Inc.
Beijing Senju Electronic Materials Co., Ltd.
Beijing Senju Fire Fighting Equipment Co., Ltd.
Senju Metal (Tianjin) Co., Ltd.
Shanghai Senju Business Management Consulting Co., Ltd.
Senju Metal (Shanghai) Co., Ltd.
Senju Metal (Huizhou) Co., Ltd.
Senju Metal (Hong Kong) Limited
Senju Electronic Materials (Hong Kong) Co., Ltd.
Senju Electronic (Taiwan) Co., Ltd.
Senju Metal Industry Co., Ltd. Kaohsiung Branch
Senju Metal Korea Co., Ltd.

Editor's Postscript

Thank you for reading the SMIC CSR REPORT 2022.
This report was first published in 2012 with the aim of providing stakeholders with a better understanding of SMIC Group's businesses and initiatives. This issue marks the 10th anniversary of the publication of this report, which was made possible by your kind support. We would like to take this opportunity to thank you for your ongoing support and patronage.
In the midst of the uncertainty over the last few years, such as soaring metal and energy prices and logistics delays caused by the COVID-19 pandemic and Ukraine crisis, we are striving to continue to deliver trust and peace of mind to our customers by strengthening cooperation with our suppliers first and foremost. In this context, we are very pleased that we were able to hold a special three-company meeting (see page 9) with Minsur, a mineral mining and smelting company that is at the origin of the supply chain, and Toyota Tsusho Corporation acting as the intermediary for Minsur. We would like to thank both companies for their willingness to meet with us despite the time difference and providing us with photographs and proofreading assistance.
In this issue, we have also endeavored to provide a systematic understanding of the SMIC Group by expressing "Materiality" (page 4) and "SMIC Group: Our Vision and CSR" (page 5) more clearly. We will continue to contribute to a sustainable society through our environmental, social, and governance (ESG) initiatives, including the "Environmental Vision 2050" formulated in 2020.
We look forward to your continued support for SMIC Group.

SMIC Group
CSR Division of Senju Metal Industry Co., Ltd.