



The Copper Mark Summary Report

Site Information

Name of the Site	Naoshima Smelter and Refinery
Unique identifier provided by the Copper Mark	S022
Address	4049-1 Naoshima, Kagawa, Kagawa
Country of Operation	Japan
Products produced on site. (e.g., concentrate, anodes, cathodes, sulphuric acid, slag, etc.)	Cathodes (copper), Ingots (gold, silver), powder (selenium)
Metals produced on site. (e.g., copper, gold, nickel, silver, molybdenum)	Copper, gold, silver, selenium
Metals included in scope. (This must be all, or a sub-set of the metals produced on site)	Copper
Metals covered by other independent assessments for Criterion 31 (e.g., RMAP, LBMA, RJC, etc.)	NA
Types of operations included in scope	
Mining	<input type="checkbox"/>
Concentrate blending	<input type="checkbox"/>
Solvent extraction and electrowinning	<input type="checkbox"/>
Smelting	<input checked="" type="checkbox"/>
Refining	<input checked="" type="checkbox"/>
Other (please explain)	
Infrastructure owned or controlled by the site and included in scope	
Roads	<input type="checkbox"/>
Rails	<input type="checkbox"/>

Ports	<input type="checkbox"/>
Other (please explain)	

Equivalency Check

Upon receiving the pre-assessment checklist, the Copper Mark did a review of equivalent certificates and third-party assurances.

The following equivalent systems were applied:

Equivalent systems are determined by the Copper Mark to have standards and assurance requirements that are materially comparable in scope and intent to those of the Copper Mark, in accordance with the [Copper Mark Recognition Process](#).

Equivalent System	Review Process	Criteria Covered by Equivalency
NA	NA	NA

Independent Site Assessment Information

Name of the Lead Assessor	Kazuhiko Saito
Name of the Assessment Firm (if applicable)	KPMG AZSA Sustainability Co., Ltd.
Date(s) of Assessment Activities (dd/mm/yyyy – dd/mm/yyyy)	October 12, 2023 (Company headquarters) October 2, 2023 (Naoshima Smelter and Refinery)
Assessment Period	1 October 2022 – 30 September 2023
Summary of the Assessment Methodology	<p>The assessment was conducted in accordance with ISO 19011:2018. Assessors first discussed and prepared the JDDS assessment programme for the assessment, which included objectives, risks identified and actions to address them, scope of assessment, assessment period, schedule, criteria, and team members.</p> <p>The assessment procedures mostly consisted of a documentation review prior to site visits to the Company headquarters and Naoshima Smelter and Refinery (Naoshima), site visits to the Company headquarters and Naoshima, and a review of the Company's 'Step 5 Report'.</p> <p>Naoshima is one of Mitsubishi Materials Corporation (MMC)'s own facilities and follows all corporate policies and procedures.</p>
Summary of the Assessment Activities	Assessment procedures consisted of

	<p>1) reviews of documents (e.g. policies and internal procedures) and records (e.g. training records and collected KYC questionnaires) that the Company prepared;</p> <p>2) interviews of personnel at the Company headquarters and Naoshima;</p> <p>3) a site tour conducted at Naoshima to understand where received material is weighed, sampled, accepted and stored as well as the whole production process; and</p> <p>4) a review of Naoshima’s Step 5 report from a perspective of whether it met Joint Due Diligence Standard for Copper, Lead, Nickel and Zinc Version 2 requirements.</p>
--	---

Summary of Findings

Criteria	Rating	Comments
1. Management System	Fully meets	<p>Naoshima Smelter and Refinery (Naoshima) is a large smelting and refining operation that procures a significant amount of copper. Production sources is 90% mined and 10% recycled material from a large number of suppliers. Naoshima sources mined materials from international origins and recycled material from domestic origins.</p> <p>Naoshima is part of Mitsubishi Materials Corporation (MMC). The supply chain due diligence system is managed at corporate level and implemented at site.</p> <p>MMC has a responsible sourcing policy that aligns with the OECD Guidance and JDD Standard. All relevant personnel at the site are trained to have knowledge and skills of supply chain due diligence. The policy is supported by the Responsible Minerals Sourcing Manual (Copper).</p> <p>Senior management of MMC are responsible for the implementation of the policy and procedure.</p> <p>The supply chain officer is responsible for ensuring that the management system requirements are integrated into the organization’s business processes. The compliance officer, who is appointed by the supply chain officer, is responsible for supporting the supply chain officer to establish, implement and maintain the management system, including annual review.</p>

		<p>These functions are supported by sufficient resources for the nature and scale of the operations at corporate and site level.</p> <p>At the corporate level, MMC has an effective grievance mechanism to respond to risks listed in Annex II of the OECD Guidance, in which Naoshima is included.</p> <p>There are supplier engagement activities appropriate to support suppliers in building capacity on the policy and its practical application, given the nature, scale, and operational context of the company.</p> <p>An opportunity for improvement was identified:</p> <ul style="list-style-type: none"> • MMC has not incorporated within contracts or agreements with immediate suppliers the requirement for them to provide data required to conduct risk assessments for supply chains where red flags are identified. <p>This was confirmed through interviews with management; interviews with relevant personnel; facility walkthrough; and a review of documents including the policy, manual, training records, supplier files, the grievance mechanism, information on high-risk supply chains, and the progress and effectiveness report of management system improvement plan.</p>
2. Red Flag Identification Process	Fully meets	<p>MMC has established a process appropriate for collecting the necessary information and identifying potential red flags.</p> <p>MMC collects information on suppliers and material through the KYC questionnaire, direct meetings and desk research.</p> <p>There is a written procedure to identify CAHRAs, using credible, sufficient information. The procedure is consistently applied, and the methodology is considered appropriate. Results are recorded.</p> <p>Two red flags were identified related to supplier red flags. After review, it was identified that the countries of origin, ports of shipment, and ports of call of the copper concentrates procured by Naoshima are geographically isolated from the CAHRAs in which 'sister' companies of the two suppliers operate.</p>

		As a result, the red flags were not confirmed.
3. Risk Assessment Process	Not applicable	No red flags were confirmed.
4. Risk Management Process	Not applicable	No red flags were confirmed.
5. Public Reporting	Fully meets	The annual report is consistent with information and evidence obtained during the assessment. The report is available here .

Conclusions

Performance Determination	
The site is found to fully meet the conformance criteria of the Joint Due Diligence Standard for Copper, Lead, Nickel and Zinc (Joint Due Diligence Standard).	<input checked="" type="checkbox"/>
The site is found to fully meet or partially meet the conformance criteria of the Joint Due Diligence Standard and has committed to continuous improvement at the site to fully meet the conformance criteria by 31 October 2024.	<input type="checkbox"/>
The site is found to miss some or all of the conformance criteria of the Joint Due Diligence Standard and has committed to continuous improvement at the site to fully meet all conformance criteria by 31 October 2024.	<input type="checkbox"/>
The site misses some or all of the conformance criteria of the Joint Due Diligence Standard and has not committed to continuous improvement.	<input type="checkbox"/>
Limitations:	
Additional comments:	

Assurance Process Information

Date of Performance Determination (dd/mm/yyyy)	30 November 2023
Re-assessment Due Date (dd/mm/yyyy)	29 November 2026