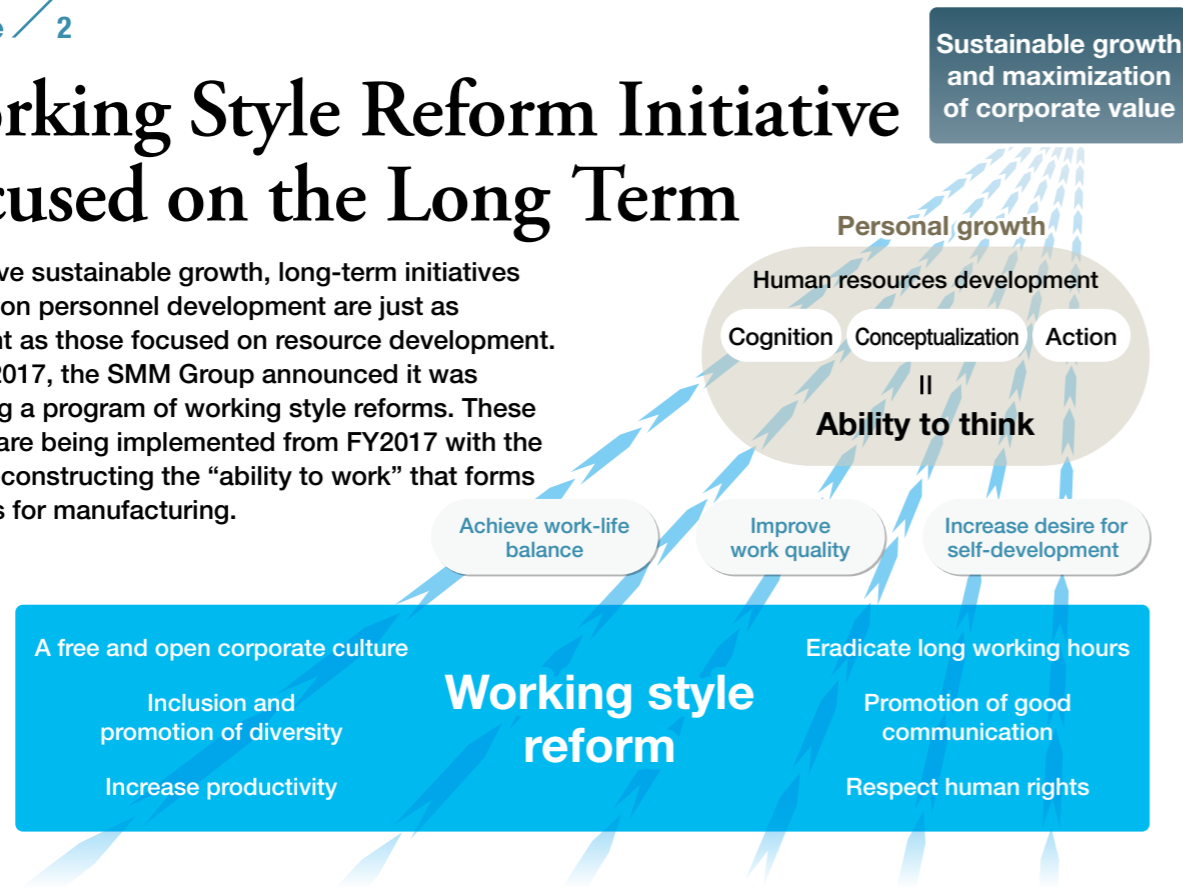


# Working Style Reform Initiative Focused on the Long Term

To achieve sustainable growth, long-term initiatives focused on personnel development are just as important as those focused on resource development. In April 2017, the SMM Group announced it was launching a program of working style reforms. These reforms are being implemented from FY2017 with the aim of reconstructing the “ability to work” that forms the basis for manufacturing.



## Creating an environment in which each individual employee can be active in a free and open-minded manner

The goal of the SMM Group's working style reforms is to achieve an average of 1,900 working hours or less per year for all employees, and a maximum of 240 hours per year of overtime and holiday work by FY2019. However, these figures are just a guide, and not the true purpose of the working style reform. The real aim of the SMM Group is to create an environment in which each individual employee can work efficiently and with strong motivation within their limited working hours.

We introduced stress checks for all employees in 2007, and we have been implementing an employment awareness survey covering a range of topics every three years since 2010. In recent years, these surveys have revealed several issues regarding working style. These include long working hours becoming the

norm in a limited number of divisions, as well as a lack of smooth communication in the workplace.

Additionally, factors such as market changes and the diversification of operations are changing the values we are looking for from our everyday work. At the same time, we also have problems regarding work efficiency, such as inefficient workplace rules accumulated through past working practices.

In order to fully understand these issues, in FY2016 the Human Resources Development Department, Personnel Department, and the Corporate Planning Department worked together on an investigation, which included interviews with employees. The working style reform initiative was launched in April 2017 based on this background.

## Developing human resources as a driver for sustainable growth

Just as the work done in the SMM Group often differs according to department or workplace, the promotion of working style reform will also be implemented on a workplace basis. The formulation of action plans aiming to fully understand and improve the working style at each workplace is currently underway.

For example, the administration departments at the Head Office are tackling a range of issues, including improving meeting flow, simplifying internal documents, implementing rules for the sending and receiving of emails, and actively implementing staggered working hours and flextime. Among these activities being pursued at each individual workplace, the highly effective practices will be spread to other divisions. We are building a framework to promote this company-wide, and supporting the

activities of each workplace. This support includes a dedicated team in the Personnel Department launched in July 2017, and progress will be checked regularly at Executive Officer's Meetings.

The goal of working style reform is not just to reduce working hours, but to use this to produce new value. Realizing work-life balance is a given, and by giving individuals more emotional ease, their desire for self-development increases, and communication in the workplace will become smoother, leading to an improvement in work quality.

The SMM Group believes that the source of our competitiveness is our business model that brings together our three businesses: mineral resources, smelting and refining, and materials. Global deployment is also an important management



issue. Working style reform which also tackles issues such as diversity and women's contribution in the workplace will be a crucial part of the platform supporting this strategy. Our business policy for 2017 starts with “creating a free and open corporate culture,” as we consider it our most important management issue.

Recently, working style reform, together with Japanese government policy, has been receiving urgent attention. The SMM

Group is positioning the rebuilding of our organizational culture, starting with working style reform, as a medium- to long-term management issue and will work to continue this initiative as a driver for sustainable growth.

## Supporting the personal growth of each individual employee will lead to sustainable growth for the SMM Group

**Shuichi Yasukawa**  
Executive Officer,  
General Manager of Human Resources Development Dept.,  
General Manager of Personnel Dept.



The three key qualities the SMM Group looks for in our employees are “cognition,” “conceptualization,” and “action.” The most valuable of these is “conceptualization,” or, in other words, the “ability to think.” Fostering an environment that allows employees to face their work with desire and emotional ease is crucial for developing this. Achieving a work-life balance creates emotional ease and time for thought, which then leads to personal growth. Creating a free and open corporate

culture that enables communication which transcends division and rank is also important for developing the “ability to think.” Therefore we consider working style reform as a management issue very closely tied to human resources development. The SMM Group is combining the advancement of growth strategies with the strengthening of our management base in order to further develop going forward. Needless to say, human resources development is a core part of this forward-

looking strengthening of our management base. Starting with working style reform, we will continue to advance initiatives aimed at cultivating individuals who can demonstrate the leadership to take on the next generation of company management. Encouraging the personal growth of each individual employee will keep us heading on the same vector and lead to sustainable growth for the SMM Group.