Quality Control

Basic Approach

The SMM Group's core business consists of mineral resources, smelting and refining, and materials. In addition to manufacturing and selling metal ingots made from excavated and refined ore, we process metal ingots and other incidental substances, drawing out the potential of each individual material, and turn them mainly into advanced materials, and engage in sales. To improve the quality of such materials, we established quality policies for each business division based on our company-wide quality policy. Further, through product safety and compliance with product-related laws and regulations, we manufacture products with superior safety, environment and quality levels that only our Group can provide thanks to an integrated production process from upstream ore excavation to downstream raw materials and products.

SMM Quality Standards

In order to effectively operate the quality management systems of our Group's business sites, in January 2016 we enacted the SMM Quality Standards which has the proper objectives for quality control.

Every fiscal year, each business site sets and acts in accordance with a target level for the SMM Quality Standards, and checks its achievement of quality control levels through self-assessment and through second-party audits by the Quality Assurance Department.

In FY2016, we conducted audits of 28 business sites within the Group, allowing the business sites to deepen their understanding of their degree of achievement toward the quality control levels and the objectives toward which the SMM Quality Standards strive.

Human Resource Development

To maintain consistent quality to satisfy customers, it is necessary for employees themselves to think and take action, so as to be able to respond to ever-changing demands and circumstances. As a component of our education activities, we are stepping up "minipro" improvement activities and small-group activities to firmly establish a culture in which employees identify and improve on-site issues independently, paving the way for organizational growth.

We are also working to improve the efficacy of quality management systems, using twice-annual training to develop quality control officers who will improve the control level of the SMM Quality Standards.

Raising the Standard of Total Quality

At the SMM Group, we accurately determine the effects of products and services on health and safety so that we can seek improvements through organized implementation and link management systems covering the environment (considerations toward and improvements to local and global environments), occupational safety (safety of business processes) and quality (satisfaction from product use). Almost all our products are subjected to this integrated cycle to ensure the improvement of total quality.

Company-Wide Quality Policy

Provide quality to satisfy our customers through continual improvements of quality assurance and control systems.

1 Pursue quality levels that stand out from the trends of the time

2 Abide by laws and rules and strive to create products incorporating safety and environmental considerations

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In FY2017, we will again aim for the proper objectives sought by the SMM Quality Standards, and will work to improve the quality control level of the Group overall.
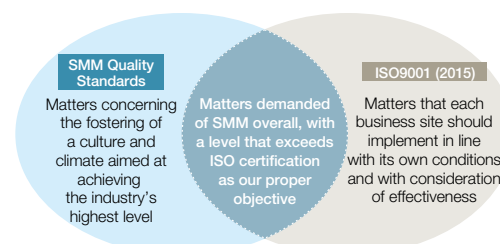
Conceptual diagram of SMM Quality Standards: The relationship between ISO 9001 (2015) and the SMM Quality Standards

Small-group activities training (Taihei Metal Industry Co., Ltd.)

Quality control officer training (Head Office)

Disclosure of Information on Products and Services

Most items in the SMM Group product lineup are supplied as raw or processed materials for use by customers for manufacturing. Information customers require in order to handle our products properly from safety and environmental perspectives, as well as information needed to enable them to supply final products, is basically communicated in product specifications at the time of contracting, during technical discussions and via product inspection certificates and SDS, based on prior and the latest information, proprietary knowledge and necessary studies.

SMM products supplied as final products to customers are carefully designed, incorporating considerations toward safety and environmental compatibility, and are only delivered after thorough trials and inspections carried out during their manufacture.

We make sure that information utilized for the above is always appropriate through management systems, reviewing it based upon the latest technology, laws and regulations and demands from customers.

Information on SMM Products Requiring Disclosure by Labeling and Applicable Products/Services

Information requiring disclosure	Applicable products/services
The sourcing of components of the product or service	All products/services containing substances requiring management under legislation while no such information requirement is addressed to our main products (raw materials and internally-processed materials).
Content, particularly with regard to substances that might produce environmental or social harm	All products/services containing substances requiring management under legislation
Safe use of the product or service	All products/services containing substances requiring management under legislation
Environmental/social harm from disposal of the products	All products/services containing substances requiring management under legislation

Communication with Customers

As for raising the level of customer satisfaction, first we will improve methods of measuring and evaluating customer satisfaction and then work to increase customer satisfaction through effective measures after accurately identifying the issues at hand. To that end, accurate and ample communication with customers is crucial. By keeping stakeholders in mind, we build products with quality, improving the yield of our products and contributing to resource and energy reduction efforts.

Issues and Targets

All employees are aligned toward the objectives and future direction, and actively take part in reaching targets, so we are able to achieve quality that customers trust completely. This requires decisions and implementation based on facts obtained through external and internal communication. To ensure this is done, we will continue to implement initiatives to effectively utilize the quality management system through various activities based on the SMM Quality Standards, including quality management education for the manager of each site.

Further, regarding product safety and information disclosure, we are providing information on substances contained in our products and materials and we will work to strengthen systems for accurate and rapid responses to customer requests.

Information Provided on Important Products and Services

- Content, particularly with regard to substances that might produce an environmental or social impact
- Safe use of the product or service
- Recycling and disposal of the product and environmental/social impacts

We also conduct surveys linked to life cycle assessments (LCA) for copper, nickel and zinc through substance-specific associations.

Methods for Providing Information

Provision of Information Relating to Specifications

We indicate product specifications requested by the customer on the order received sheet to provide necessary information to them.

Provision of Information Relating to Chemicals

The SMM Group uses SDS, etc. to provide information on chemical substances contained in products, complying with regulations for chemical substances and usage, regarding health and safety.

Other Initiatives

The SMM Group also engages in transactions such as the sale of different types of lubricants to general consumers. In line with related laws and regulations, we provide information on products and services in this area through labeling, advertisements and explanations to ensure correct understanding.