

# Corporate Social Responsibility

**In the last few years, the concept of corporate social responsibility (CSR) has attracted a lot of attention. Companies are expected to show concern in their corporate activities for the interests of stakeholders and to disclose appropriate information. The Shin-Etsu Group, as a good corporate citizen, is endeavoring to further contribute to society through positive activities in local communities.**

## **The Shin-Etsu Group's basic policies on CSR are as follows:**

- The Shin-Etsu Group's mission is to contribute to people's daily lives as well as to the advance of industry and society by providing key materials. To achieve this *raison d'être* of all companies, the Group places utmost priority on such core business principles as assuring product quality and safety, engaging in fair competition, maintaining good relationships with citizens and governments, strictly managing and protecting customer data and carrying out fair and sound business practices. By faithfully following these principles, the Group strives to enhance the worth of the Group and become an ever-growing company.
- The Shin-Etsu Group makes it a fundamental management principle to pursue the goals of safety and environmental conservation. The Group promotes corporate activities that place primary importance on safety and environmental conservation and strives to maintain the trust of its stakeholders.
- Respecting the principles of human dignity and life fulfillment, the Shin-Etsu Group endeavors to create a work environment in which all employees can perform their jobs easily and effectively and fully realize their potential. We forbid any discrimination in the workplace, any use of compulsory labor and any use of child labor.
- The Shin-Etsu Group is committed to contributing to society and to disclosing accurate and timely information to the public about the business activities and position of the Group so as to continue to gain the trust and understanding of society.

In addition, our CSR goal in 2005 is to set forth a basic CSR policy orientation under which the Shin-Etsu Group's CSR activities will be developed from a global perspective, acknowledging that our business activities are themselves inseparable from CSR.

From fiscal 2005, we assigned a company director to undertake the task of supervising all of the Group's CSR activities and established a CSR Promotion Committee. Over and above faithfully fulfilling its legal responsibilities, the Shin-Etsu Group will totally devote its efforts to fully implementing its corporate social responsibilities.

## **Environmental Control and Safety Management**

The environment and safety are the highest priorities at the Shin-Etsu Group, and we work to assure safe operations of our facilities and obtain the trust of local communities with regard to the Group's business activities.

Since its establishment in 1970, Shin-Etsu's Environmental Control and Safety Department has been strenuously working to ensure environmental control and plant safety.

We decide upon aims and goals for environmental issues, management of chemical substances, management of facilities and prevention of work-related accidents, and we strive to achieve them. The results are checked by means of various self-monitoring systems and audits so as to allow Shin-Etsu to further develop its systems to attain the next level of objectives.

Furthermore, the Group is aggressively promoting measures for environmental control including developing ecology-

oriented products that are effective in saving resources and energy and reducing the environmental burden.

## **Aiming for a Sustainable Society through Environmental Control**

The Shin-Etsu Group adopted an Environmental Charter in 1998 to promote and realize a sustainable society while endeavoring to maintain a positive growth cycle of environmental control and corporate management. The Group is carrying out its business activities in strict conformity with the principles embodied in this Charter. Based on this Charter, Group companies and plants have created more concrete and effective policies to promote environmental control in line with each local area's characteristics and the actual status of production activities.

The Shin-Etsu Group is also enhancing its activities in this field by promoting a Responsible Care Program, a voluntary environmental control and safety improvement program, and by obtaining ISO14001 certification, the international

standard for environmental management systems. All of Shin-Etsu's domestic plants and the plants of the main Shin-Etsu Group companies have obtained ISO14001 certification. The Shin-Etsu Group endeavors to make useful contributions to the entire society, including local communities, and to promote environmental control.

## **Assuring Safety from the Design Stage of New Products and Facilities**

Assuring safety is an important priority together with environmental control. Utilizing a risk assessment method, Shin-Etsu repeatedly checks and reviews safety measures in each aspect of its facility operations, including employee operations, the handling of chemical substances, and control procedures. In particular, at the time of planning of new facilities or the start-up of manufacturing of new products, we examine the environmental aspects and safety measures by conducting safety evaluations and in meetings of the Safety Inspection

Committee. Furthermore, at the Group's existing facilities, we review and make improvements on work processes and safety measures.



Environmental and Social Responsibility Report 2004  
URL: <http://www.shinetsu.co.jp/e/catalog/kankyoku2004.pdf>

### Activities Contributing to Local Communities

The Shin-Etsu Group, as a good corporate citizen, hopes to contribute to enriching society overall through the various ways it contributes to the progress of local communities. These activities vary depending on the actual situation in each region where the Group has business operations. In many different countries around the world, the Shin-Etsu Group is actively carrying out such on-going programs as supporting educational projects as well as beautification and clean-up projects in the areas near Group plants and co-sponsoring events and friendly exchanges between representatives of local governments and residents.

The following introduces the Shin-Etsu Group's programs in fiscal 2005 contributing to local communities in various regions around the world.

#### Aquaplastics 2004

In 2004, CIRES, a Shin-Etsu Group subsidiary based in Portugal, once again participated in the *Aquaplastics* initiative run by WATERAID, a British-based non-governmental organization, and promoted by the Association of Plastics Manufacturers in Europe (APME). As part of its social and community efforts, APME each year teams up with different NGOs to participate in community activities that build water supply infrastructures and contribute to better lives in disadvantaged parts of the world. For each click on the *Aquaplastics* website (<http://www.aquaplastics.org/>), the European plastics industry contributed 10 euro cents to

WATERAID projects. The CIRES website also provided a link to the *Aquaplastics* website during the campaign, which reached its goal of two million clicks in record time. As a result, a total of 150,000 euros was donated by the European plastics industry, including CIRES, to help deliver clean, safe water and sanitation to people in Africa.

#### West Baton Rouge 4-H Woodworking Workshop

As part of efforts to teach young people about wildlife conservation and woodworking, and to increase nesting areas for both wood ducks and bluebirds on the Shintech Plant property in Addis, Louisiana, Shintech representative and 4-H leader Kevin Richard conducted a woodworking workshop for local 4-H members in 2004. 4-H is a community of young people across the U.S. who learn leadership, citizenship and life skills. Shintech contributed to the project by providing funds to buy the supplies needed to build the nesting boxes. Participants learned how to build the boxes, then traveled to Shintech to meet with the plant manager and hang the boxes near and around the plant's entrance.

Japan for eight days from February 26 to March 5.

Staffers at Nagano Electronics Industrial Co., Ltd., a Shin-Etsu Group company in Nagano Prefecture, participated as volunteers and took charge of operating vehicles, which were used mainly for the transportation of people and equipment needed for the games. Countless friendly exchanges took place between the volunteers and the athletes who came from around the world. Kenji Hosoya, one of the Nagano Industrial volunteers, commented, "I was able to enjoy several fruitful days feeling that everyone was working together for one purpose, and I was able to clearly understand the reason why the word 'Olympics' is in the plural form."



Shintech staff in Louisiana conducted a woodworking workshop as a community project.

#### SEST Cements Good Relations with Rayong Community

Shin-Etsu Silicones (Thailand), Limited (SEST) completed construction of its silicone plant in Rayong, Thailand, in June 2004. During the plant's opening ceremony, which was intentionally kept simple, SEST announced it would donate most of the money that was saved on the ceremony to six schools in the community surrounding the plant. This reflects the company's belief that children are important for the future development of the community, and that a key to successful development as a company is to establish close relationships of trust with the communities in which it operates.



Shin-Etsu Silicones (Thailand) Limited announces a company donation to six schools in Rayong.

#### The 2005 Special Olympics World Winter Games in Nagano

The 2005 Special Olympics World Winter Games were held in Nagano,



Athletes from around the world participated in the 2005 Special Olympics World Winter Games, Nagano. (Photo courtesy of SONA)