

Corporate Social Responsibility (CSR)



The Shin-Etsu Group believes that the primary social responsibility a corporation must fulfill is to obey laws and regulations in conducting its corporate activities, make a profit and pay taxes. In conducting corporate activities, all employees of the Shin-Etsu Group diligently carry out their respective duties, and focus on product development and quality control while taking into consideration their effects on the environment and society. Moreover, they aim to contribute to society through various activities including support for education and culture on the local community level.

Kiichi Habata

Managing Director

In charge of Silicone and Environmental Control & Safety

Basic CSR Policy

As a good corporate citizen, the Shin-Etsu Group has always endeavored to contribute to society through positive activities in local communities. In April 2005, we established a CSR Promotion Committee, and are totally devoting our efforts to fulfilling our corporate social responsibilities.

The entire Shin-Etsu Group is working to implement the following basic CSR policies.

- 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 and technologies. 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 forbids any discrimination, any use of compulsory labor and any use of child labor. Furthermore, the Group endeavors to create a work environment in which all employees can perform their jobs easily and effectively and fully realize their potential.
- 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 maintain the trust of society.

Activities for Environmental Control and Safety Management

The Shin-Etsu Group has made safety and the environment top management priorities. 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 Chemical'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-diagnosis and audit systems 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 such as saving resources and energy and development of ecology-oriented products that are effective in reducing the environmental burden.



Environmental and Social Responsibility Report 2005

<http://www.shinetsu.co.jp/e/profile/kankyo.shtml>



Louisiana state legislators sent a letter of thanks for the Shin-Etsu Group's contributions to disaster relief.



From left: Shintech Vice President Ervin E. Schroeder, Lake Jackson Historical Museum Director Maria Laughlin and Mr. Schroeder's assistant Stephanie Whitehurst

In 1998, Shin-Etsu adopted its Environmental Charter, which sets forth the basic spirit of its environmental control measures. The Group is carrying out its business activities in strict conformity with the principles embodied in this Charter. Each plant and Group company conducts Responsible Care activities, a voluntary program for improvement of the environment, and a safety improvement program. In addition, all plants and major subsidiaries have obtained ISO14001 certification, the international standard for environmental management systems, and other Shin-Etsu Group companies are working to obtain certification.

To assure safety, the Shin-Etsu Group utilizes a risk assessment method, repeatedly checking and reviewing safety measures in each aspect of its facility operations, including employee operations, the handling of chemical substances, and control procedures. At the time of planning of new facilities or the start-up of manufacturing of new products, we examine environmental impact and safety measures in addition to conducting safety evaluations. Furthermore, at Shin-Etsu's existing facilities, we make improvements upon regularly reviewing work processes and safety measures.

Activities to Support Local Communities

The Shin-Etsu Group is actively making a global contribution to society not only in Japan but also in each region of the world where the Group has business operations, according to regional characteristics. These include friendship exchanges with local governments and residents near Shin-Etsu plants such as support for clean-up projects and co-sponsorship of events in those areas. In addition, Group companies in the United States and Malaysia have established scholarship systems.

The following introduces the Shin-Etsu Group's programs in fiscal 2006 contributing to local communities in various regions around the world.

Helping Louisiana Recover from Hurricane Katrina

The powerful hurricane Katrina struck Louisiana, U.S.A. in August 2005, leaving over a million residents homeless. Immediately after the disaster, Shin-Etsu Group company Shintech Incorporated, which conducts business in Louisiana, donated \$2 million to the Louisiana Disaster Recovery Foundation set up by the state government.

Shin-Etsu Group employees also contributed to the Foundation, and Shintech employees participated in relief activities such as cooking teams for a good supply of food and transport of goods. Two Louisiana state congresspersons sent President Kanagawa a letter thanking the Shin-Etsu Group and its employees for their contribution to the disaster relief.

Support for Lake Jackson Historical Association

Lake Jackson, Texas is intertwined with the petrochemical industry. Located near the Gulf of Mexico, the area is a center of petrochemical manufacturing using both oil and natural gas. The Lake Jackson Historical Association maintains a museum that provides education covering the history and culture of Lake Jackson from prehistoric to modern times. As a company in Texas' representative petrochemical industry, Shintech made a donation to the museum and set up a display corner showing the PVC production process. Shintech's exhibit in the 13,000-square-foot museum shows the processes by which salt and other raw materials are used to manufacture PVC, which is then made into PVC pipe, vinyl siding and other products, making it easy for visitors to understand PVC. Through cultural and educational efforts like these, Shintech contributes to local communities.