

# Corporate Social Responsibility (CSR)

The Shin-Etsu Group believes that its primary responsibilities as a corporate group are to conduct business activities in compliance with laws and regulations, earn a profit and pay taxes. Based on the corporate mission statement "To contribute to people's daily lives as well as to the advance of industry and society by providing key materials and technologies," the entire Group focuses on developing environmentally responsible products and placing priority on safety, environmental protection and social activities.

## Shin-Etsu Group's Mission Statement

The Group strictly complies with all laws and regulations, conducts fair business practices and contributes to people's daily lives as well as to the advance of industry and society by providing key materials and technologies.

## Basic CSR Policy

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

### Basic CSR Policy

#### The Shin-Etsu Group:

1. Will do our best to increase the Group's corporate value through sustained growth and make multi-faceted contributions to society.
2. Will carry out all of our company activities by making safety always our utmost priority.
3. Will constantly pursue energy-saving, resources-saving and the reduction of the environmental burden, and seek to help create a sustainable future world in which we all live in harmony with the Earth.
4. Will endeavor to contribute to the prevention of global warming and the conservation of biodiversity by means of our cutting-edge technologies and products.
5. Will strive to respect human dignity, assure equality in employment opportunities and support the self-fulfillment of our employees.
6. Will appropriately disclose information in a timely manner.
7. Will carry out trustworthy corporate activities that are based on the integrity of the Group's ethical values.

## Participation in U.N. Global Compact

Shin-Etsu Chemical became a participant in the U.N. Global Compact in November 2010. This international initiative was started in 2000 based on a proposal by then U.N. Secretary General Kofi Annan at a global economic forum.



The compact encourages companies worldwide to become even better global citizens by supporting and following 10 principles in the areas of human rights, labor, the environment and the prevention of corruption. About 8,000 companies and organizations located around the world, including more than 130 in Japan, are participants in the U.N. Global Compact.

As a member of the global chemical industry, the Shin-Etsu Group signed the Responsible Care Global Charter of the International Council of Chemical Associations in 2006. Responsible Care covers worldwide activities involving environmental protection, safety and health. Now that we are also participating in the U.N. Global Compact, we will further reinforce our commitment to CSR programs by using the compact's 10 principles as our guideline for these activities.



## Safety and Environmental Initiatives

Putting safety and the environment first is a central element of the Shin-Etsu Group's management policy. Group companies are constantly working on establishing a framework that can eliminate accidents and disasters.

Shin-Etsu established an Environmental Charter in 1998 to create a framework for helping achieve a sustainable society while building a favorable cycle of environmental and corporate activities. In 2005, the charter was extended to encompass the entire Group. Furthermore, all major plants and subsidiaries have received ISO 14001 certification for their environmental management systems.

Every year, each plant at Shin-Etsu and its Group companies establishes targets for improvements in several aspects of operations: environmental protection, safety and disaster prevention, occupational health and safety, logistics safety, safety of chemical products and other products, and communication with society. Actions are then taken to achieve these targets. Results of actions are confirmed by using self-monitoring and an auditing system in order to lay the groundwork for activities to reach the next set of targets.

We used the results of a survey to identify hazardous operations to make improvements to our processes, facilities and manuals. Furthermore, there is a "Hiyari-Hatto (close call) Incidents" section on the Company's intranet so that employees throughout the Shin-Etsu Group can share information about potential dangers and ideas for making improvements.

In fiscal 2009, which ended March 31, 2010, both Shin-Etsu Chemical and the Shin-Etsu Group achieved the medium-term goal of reducing the level of greenhouse gas emissions to 66 percent compared with the 1991 level in terms of the consumption rate in 2010. Having reached this goal, we are now focusing on the medium-term goal of cutting greenhouse gas emissions by 50 percent compared with the 1990 level in terms of the consumption rate by 2015.



Environmental and Social Report 2010  
<http://www.shinetsu.co.jp/e/catalog/kankyou2010e.pdf>

One more environmental goal was to achieve zero emissions (less than 1% of all waste materials sent to landfills) in 2010. Since 1.08% of waste materials went to landfills in that year, we will continue taking steps aimed at reducing this percentage.

## Interaction with Communities

Shin-Etsu Group companies participate in many community and social activities in Japan and around the world. Activities reflect the requirements of each locality hosting a Group business site. Examples include picking up trash in areas near factories and holding special events in order to interact with local residents and governments. Scholarship programs in the United States and Malaysia are other illustrations of social activities.

## Major Fiscal 2011 Shin-Etsu Group CSR Activities

### 1) Collection of donations for World Refugee Day

To support the activities of the United Nations High Commissioner for Refugees, the Shin-Etsu Group holds a donation campaign at all locations worldwide during the two weeks leading up to World Refugee Day, which is June 20. This campaign has taken place every year since 2006. Money is collected in boxes made of recycled PVC that are donated by the Vinyl Environmental Council of Japan. Proceeds are used to purchase supplies for refugees in all areas of the world.

### 2) Planting Mangrove Trees to Restore an Ecosystem

Employees of Shin-Etsu Silicones Thailand Ltd. are often involved in social and community activities. In 2010, employees of this company participated in a tree-planting program to contribute to the growth of a mangrove forest in Rayong Province. About 40 employees took part in this activity to help restore a coastal ecosystem while giving everyone a strong sense of satisfaction from participating in a worthwhile project.

