

Item	Priority Issues (Target)	Implementation Status for FY2023	Evaluation	Planned Implementation Items for FY2024
Management System	1. Continuous improvement and implementation of the environmental management system	<ul style="list-style-type: none"> <li>Implement plans and achieve goals without fail through activities leveled throughout the year</li> <li>Conduct substantial internal audits</li> <li>Appropriate responses to the findings of head office audits and plant internal audits, and reliable follow-up</li> </ul>	◎	<ul style="list-style-type: none"> <li>Formulation and steady implementation of an action plan throughout the year (ongoing)</li> <li>Conduct substantial internal audits (ongoing)</li> <li>Appropriate responses to the findings of head office audits and plant internal audits, and reliable follow-up (ongoing)</li> </ul>
	2. Qualitative improvement of environmental safety audits	<ul style="list-style-type: none"> <li>Implementation of appropriate follow-up to the findings of the head office's environmental safety audits</li> <li>Effective and proper implementation of environmental safety audits at affiliated companies in the plant area</li> </ul>	○	<ul style="list-style-type: none"> <li>Implementation of appropriate follow-up to the findings of the head office's environmental safety audits (ongoing)</li> <li>Effective and proper implementation of environmental safety audits at affiliated companies in the plant area (ongoing)</li> </ul>
Environmental conservation	1. Zero environmental accidents	<ul style="list-style-type: none"> <li>Achieved target of zero environmental accidents</li> </ul>	◎	<ul style="list-style-type: none"> <li>Zero environmental accidents</li> </ul>
	2. Thorough environmental management	<ul style="list-style-type: none"> <li>Continued appropriate compliance with environmental laws and regulations</li> </ul>	◎	<ul style="list-style-type: none"> <li>Appropriate compliance with environmental laws and regulations (ongoing)</li> </ul>
	3. Promotion of energy savings (Reduce energy consumption by an average annual rate of 1% per unit production)	<ul style="list-style-type: none"> <li>The Shin-Etsu Group: Increased at an annualized rate of 0.3%</li> <li>Shin-Etsu Chemical: Increased at an annualized rate of 7.4%</li> </ul>	△	<ul style="list-style-type: none"> <li>Reduce energy consumption at an annualized rate of 1% in production intensity and formulation and promotion of an activity plan for achievement</li> </ul>
	4. Reducing greenhouse gas emissions (Intensity reduction to 54% of 1990 level by fiscal 2025)	<ul style="list-style-type: none"> <li>The Group reduced to 57.0% and the Company 53.4% compared to fiscal 1990</li> <li>Periodic inspection based on the Act on Rational Use and Proper Management of Fluorocarbons and reporting to the national government on the amount of leakage calculated</li> </ul>	△	<ul style="list-style-type: none"> <li>Reduction to 45% of 1990 level in production intensity by fiscal 2025 and formulation and promotion of an activity plan for achievement</li> <li>Periodic inspection based on the Act on Rational Use and Proper Management of Fluorocarbons and reporting to the national government on the amount of leakage calculated (ongoing)</li> </ul>
	5. Reduce waste (Achieve zero waste emissions (waste to landfill ratio to 1% or less))	<ul style="list-style-type: none"> <li>Consolidated in Japan: Landfill waste to total waste ratio of 1.08%</li> <li>Shin-Etsu Chemical: Landfill waste to total waste ratio of 1.54%</li> </ul>	○	<ul style="list-style-type: none"> <li>Promote achievement of zero emissions (waste generation to landfill ratio to 1% or less), and formulation and promotion of an activity plan for achievement</li> <li>Promotion of waste generation in production intensity, and formulation and promotion of an activity plan for achievement</li> </ul>
	6. Reduced emissions of substances causing water pollution or air pollution (Reduction in intensity at annualized rate of 1%)	<ul style="list-style-type: none"> <li>Increased at an annualized rate of 1.6% for BOD<sup>1</sup></li> <li>Increased at an annualized rate of 11.1% for soot</li> <li>Reduced at an annualized rate of 7.1% for SOx</li> <li>Regular review and strict compliance with specific facility using hazardous substances pertaining to the Water Quality Pollution Control Act and installation standards for designated storage facilities</li> <li>Promotion of separation of process wastewater and rainwater discharged (including cooling water) and the laying of pipes installed in the rainwater drainage way on the ground</li> </ul>	△	<ul style="list-style-type: none"> <li>Regular review and strict compliance with specific facility using hazardous substances pertaining to the Water Quality Pollution Control Act and installation standards for designated storage facilities (ongoing)</li> <li>Promotion of separation of process wastewater and rainwater discharged (including cooling water) and the laying of pipes installed in the rainwater drainage way on the ground (ongoing)</li> </ul>
	7. Reduction in water withdrawals (Reduction in intensity at an annualized rate of 1%)	<ul style="list-style-type: none"> <li>Consolidated: reduced at an annualized rate of 17.7%</li> <li>Shin-Etsu Chemical: reduced at an annualized rate of 8.8%</li> </ul>	○	<ul style="list-style-type: none"> <li>Reduction in production intensity at an annualized rate of 1% and formulation and promotion of an activity plan for achievement</li> <li>Plan and implement measures for improving recycling water ratio</li> </ul>
Chemical substance management	1. Thorough new chemical substance management	<ul style="list-style-type: none"> <li>Thorough management of permitted production volumes (confirmed) and production results</li> <li>Communicated reporting of harmful substance information, etc., at the time of acquisition</li> </ul>	◎	<ul style="list-style-type: none"> <li>Thorough management of permitted production volumes (confirmed) and production results (ongoing)</li> <li>Communicated reporting of harmful substance information, etc., at the time of acquisition (ongoing)</li> </ul>
	2. Compliance with legal and other requirements for chemical substance control	<ul style="list-style-type: none"> <li>Responded to revisions and strict compliance with the Chemical Substances Control Law<sup>2</sup>, Industrial Safety and Health Act, PRTR Law<sup>3</sup>, and Poisonous and Deleterious Substances Control Act</li> <li>Strict compliance with overseas laws and regulations</li> <li>Implement control of PCB waste and dispose required by the deadline (Deadline: 2022)</li> </ul>	◎	<ul style="list-style-type: none"> <li>Ensuring compliance with relevant domestic laws and regulations</li> <li>Promotion of autonomous management required of business operators under the revised Industrial Safety and Health Act</li> <li>Thorough application and proposal management for new chemical substances and manufacturing volume management (Chemical Substances Control Law, Industrial Safety and Health Law)</li> <li>Reporting obligations when acquiring new hazard information, etc., and publicizing such information (Chemical Substances Control Law)</li> <li>Compliance with overseas laws and regulations (ongoing)</li> <li>Appropriate treatment of PCB waste (Low-concentration treatment, Deadline: end of March 2027)</li> </ul>
	3. Information disclosure on the harmfulness of chemical substances	<ul style="list-style-type: none"> <li>Information disclosure and awareness raising of substances handled by contractors and subcontractors</li> </ul>	○	<ul style="list-style-type: none"> <li>Making sure of well-known situations and information provision related to substances handled by contractors and subcontractors (ongoing)</li> </ul>

1 BOD (Biochemical Oxygen Demand)

Biochemical oxygen consumption. The amount of oxygen required when decomposing contaminants in the water by microorganisms. This indicates the degree of water pollution.

2 Chemical Substances Control Law

Short for the "Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc." A law intended to prevent environmental pollution by chemical substances that can be harmful to human health or to ecosystems.

3 PRTR Law

Short for the "Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof." A law intended to promote improved self-directed control of chemical substances by business operators, in order to prevent the risk of damage to the environment.

\* Intensity unit

A measure calculated from the production volume of a reference product.

\* Average annual rate for implementation

Average annual reduction rate from FY 2020 to FY 2023

\* Evaluation standards

◎: Goal achieved ○: Goal basically achieved △: 50% achieved ×: Far from achieved