

# 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. 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,” all employees focus on environmentally conscious product development and promote safety, environmental and social activities.

## 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.

### The Entire Shin-Etsu Group is Working to Implement the Following Basic CSR Policies.

- Based on the Shin-Etsu Group’s corporate mission of “contributing to people’s daily lives as well as to the advance of industry and society by providing key materials and technologies,” we endeavor to increase the Group’s corporate value and become a company that will achieve continuous growth and development. We do this by faithfully complying with the laws and regulations in all the countries in which we are active and through fair and sound corporate activities.
- The Shin-Etsu Group puts its utmost priorities on the fundamental management principles of Safety-and Environment-First, and we aim to be a company that will continue to be trusted by all of our stakeholders. Shin-Etsu also works to help realize a sustainable society. We endeavor to contribute to the mitigation of the impact of climate change and to promote the preservation of the biodiversity of the Earth.
- Based on the universal principle of “respecting human dignity,” Shin-Etsu strives to fulfill its responsibilities as a global enterprise by creating an ideal working environment for employees, one in which there is no unfairness of any kind, as well as no forced labor or child labor.
- In order to continue to work in a harmonious and responsible relationship with global society, Shin-Etsu is committed to carrying out activities that contribute to society and to disclosing appropriate corporate information in a timely fashion.

Furthermore, Shin-Etsu maintains a sound and transparent relationship with society through such policies as that of not making illegal payments to public officials in any country.



SE Tylose employees and students from a professional school

## Safety and Environmental Initiatives

The Shin-Etsu Group has incorporated safety and the environment in its management policy and is working to create a new framework that ensures no disasters occur.

We executed a survey of hazards and improved processes, facilities and manuals. We also use the Company’s intranet to share information on hazards identified by employees and their suggestions for improvements. At the same time, we disclose these hazards and suggestions for improvements on the Company website in a section entitled “Disclosure of Close-Call (*Hiyari-Hatto*) Incidents.”

In addition, we are promoting environmental management, which includes efforts to achieve our goals concerning environmental issues, management of chemical substances, management of facilities and prevention of work-related accidents.

The Shin-Etsu Group’s medium-term environmental objectives are to reduce greenhouse gas emissions to 66 percent of the fiscal 1991 level in terms of the energy consumption rate in 2010 and to reduce the emission rate to less than 1 percent of waste.



## Interaction with Local Communities

The Shin-Etsu Group is actively making a 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. Activities include interactions with local governments and residents, as well as the establishment of scholarship systems by Group companies in the United States and Malaysia.

SE Tylose invites students to R&D, quality assurance and technical sales departments to provide them with insights that will benefit their professional life in the future. SE Tylose also provides practical training periods in-house to students who are interested in natural science and has contributed equipment such as a fully functional gas chromatograph to a professional school.

# Products and Technologies of the Shin-Etsu Group that Contribute to Achieving a Low-Carbon Society

## Dr. Hiroshi Komiyama's *Vision 2050* and the "12, 3, 5, 5" Theory of Greenhouse Gas Reduction

In 1997, Dr. Hiroshi Komiyama, external director of Shin-Etsu, published a compilation of his views on technologies for global sustainability in *Vision 2050*. In the book, he pointed out that tripling energy efficiency, establishing a material recycling system and doubling renewable energy sources are indispensable to achieving a low-carbon, recycling-based society.

He also details his "12, 3, 5, 5" proposal, a concrete vision for reducing greenhouse gas emissions by 25 percent as announced by the Japanese government in 2009. This incorporates a 12 percent reduction from daily life (including emissions from homes, offices and transportation), a 3 percent reduction from manufacturing, a 5 percent reduction from energy production, and a 5 percent reduction from conservation of the natural environment, including forests.

The point he makes clear is that strategically promoting increased energy efficiency in these areas is essential for Japan's growth and for raising energy self-sufficiency.



**Dr. Hiroshi Komiyama**  
External Director  
Former President of The University of Tokyo

## Products and Technologies of the Shin-Etsu Group that Contribute to Greater Energy Efficiency in Wide-Ranging Fields from Daily Life to Forest Conservation

### **Daily Life (Including Emissions from Homes, Offices and Transportation): 12 percent**

High thermal insulation efficiency (plastic resin window frames): PVC  
Heat-pump water heaters: rare-earth magnets (highly efficient motors)  
Energy-efficient air-conditioners: rare-earth magnets (highly efficient motors)  
LED lighting: silicone peripheral materials for LEDs (lenses, molding materials, reflecting materials, thermal interface materials, etc.)  
Clean-energy cars: rare-earth magnets (highly efficient motors); silicone (eco-friendly tires)

### **Manufacturing: 3 percent**

Technologies to improve the efficiency of manufacturing processes  
Resource recycling technologies

### **Energy Production: 5 percent**

Solar power generation: single crystal silicon, abrasive materials, silicone assembly materials, silane gas  
Wind power generation: rare-earth magnets (generators)

### **Conservation of the Natural Environment, Including Forests: 5 percent**

Synthetic pheromones (forest pest control agents)