

# **Shin-Etsu Handotai Europe Ltd – Code of Management Ethics**

Rev: 30 September 2017

## **1.0 Scope**

This document has been prepared in order to clearly state Shin-Etsu Handotai Europe Ltd's Management ethics policy and how it shall be applied within the company and to its stakeholders. This document is compliant with the Shin-Etsu Group's Mission statement

## **2.0 Responsibilities**

Senior Management at Shin-Etsu Handotai Europe Ltd are responsible for implementation of this policy.

All employee's and agents of Shin Etsu Handotai Europe Ltd are responsible for adhering to this policy document.

External stakeholders are encouraged to familiarise themselves with this policy and to comply with all legal requirements.

All stakeholders are encouraged to report genuine ethical concerns via the appropriate reporting procedures.

## **3.0 Policy**

It is the policy of Shin-Etsu Handotai Europe Ltd (the company) that it, it's employee's and agents shall conduct business fairly, with integrity and in compliance with all applicable national and international laws.

The company also commits to responsible sourcing of minerals used directly in (or in support of) its business activities.

The company will not tolerate forced labour (including human trafficking) or child labour. Our Purchasing terms and conditions forbid the use of forced labour, child labour and physically abusive disciplinary practices. We reserve the right to terminate our relationship with a supplier if issues of non compliance with our policies are discovered and / or non compliance is not addressed in a timely manner.

Additionally the company commits to respect intellectual property rights and to take necessary steps to prevent any improper disclosure or use of protected or sensitive information – thereby preventing any unethical or illegal advantage that may be gained through possession of that information.

The Company is a member of the EICC and complies with its requirements.

The company shall ensure that procedures necessary for the implementation of this policy are maintained and communicated to stakeholders in an appropriate manner.

Integrity: conducting business with honesty, truthfulness and accuracy

## **4.1 Summarised Procedures**

4.1.1 Accounting controls & procedures are maintained in line with the principles of the relevant financial reporting standards and audited by independent auditors.

4.1.2 "JSOX" controls & procedures are maintained in line with the requirements of the Japanese Financial Instruments and Exchange Law 2006 and audited by independent auditors.

4.1.3 Bribery, corruption, extortion and embezzlement: The Company prohibits bribery, corruption, extortion and embezzlement in all their forms.

4.1.4 Facilitations payments: The company prohibits facilitation payments made on it's behalf by any of it's employee's or agents. Company employee's and agents are forbidden from accepting facilitation payments.

- 4.1.5 Gifts & hospitality: The Company accepts that gifts and hospitality may be offered and accepted only for conventional social and business purposes at a level appropriate to the status and seniority of those involved. Great care must be taken to avoid any impression of a reward or encouragement for a favour or for preferential treatment.  
Details of Gifts and Hospitality are recorded and periodically audited.
- 4.1.6 Political contributions and lobbying: The company prohibits payment on it's behalf to political parties and organisations as well as to individual incumbents and candidates.
- 4.1.7 Charitable donations: The Company makes charitable donations to local, national and international charities. Great care must be taken to avoid any impression of a reward or encouragement for a favour or for preferential treatment as a result of these donations.  
All donations are carefully considered and details recorded and periodically audited.
- 4.1.8 Conflicts of interest: Shin-Etsu Handotai Europe Ltd (The Company) requires its directors to comply with the requirements of the UK Company's act 2006. Furthermore, the company operates an environment of openness and trust and encourages employees to declare any potential conflict of interests such that full consideration can be given to surrounding circumstances and the situation managed in an appropriate manner.
- 4.1.9 Confidentiality and Privacy: The company complies with the requirements of the UK Data Protection Act 1998 – additionally, all employees of the company are required to sign and adhere to the company's confidentiality agreement and all suppliers are required to sign and adhere to a non disclosure agreement. The company and its employees will protect the confidential and proprietary nature of any stakeholder data which has been disclosed in confidence or through the course of normal business activity.
- 4.1.10 Whistle blowing: The Company complies with the UK The Public Interest Disclosure Act 1998 and provides methods for stakeholders to report qualifying disclosures confidentially.  
The email address [contact@seheurope.com](mailto:contact@seheurope.com) is available for stakeholders to report any concerns relating to ethical performance directly to the Company.
- Also refer to Appendix A: "Regulations of Compliance Consulting / Reporting System" for reporting at a Corporate level.
- 4.1.11 Competition: The company complies with the requirements of the UK Competition Act 1998 and does not participate in anti-competitive or false / misleading advertising practices
- 4.1.12 The company and its employees will not discriminate directly or indirectly in recruitment or employment on grounds of age, disability, sex, gender history or gender reassignment, pregnancy and maternity, colour, race, nationality, ethnic or national origin, sexual orientation, religion or belief, or because someone is married or is a civil partner.
- 4.1.13 The Company supports and respects, within its reasonable ability to influence, the protection of international human rights set out in the United Nations Universal Declaration of Human Rights, the International Labour Organisations fundamental conventions and the UN Global Compact.  
Additionally, the company endeavours to undertake initiatives of environmentally friendly technologies, processes and products.
- 4.1.14 Corporate Criminal Offence: The company recognises its responsibilities with regard to the Criminal Finances Act 2017 such as tax evasion or the facilitation of tax evasion.  
The Company maintains suitable prevention procedures, which employees and agents are expected to comply with (failure to do so may result in disciplinary action and in serious cases the Company reserves the right to notify appropriate authorities of any suspected wrong doing).  
The Company's expectations are also clearly stated in both its Sales and Purchasing Terms and Conditions. Risk assessments are carried out as required and if considered necessary further due diligence checks may be carried out on external entities. Should any potential problems be identified the Company would follow an appropriate investigation procedure with the concerned individual / entity before deciding what action may be appropriate.

- 4.1.15 The Company requires its suppliers and subcontractors to consider the principles laid out in this Code which will, as far as possible, be used in selection and management of business partners. Adherence to national and international laws especially those relating to fair competition, freedom of association, confidentiality, and protection of human rights, equality and the prohibition of bribery in all its forms are considered of paramount importance.
- Monitoring may be carried out by audit of suppliers, requests for completion of Supplier Assessment Questionnaires or other means deemed suitable by the company.

## **APPENDIX A**

### **Regulations of the Compliance Consulting/Reporting System (Corporate)**

The purpose of the Regulations is to establish a system for proper handling of consultations or reports from employees or other relevant persons on violations of law, ethics or the company's rules, or other similar acts by an organisation or individual in order to promptly detect and correct such acts, to enable enhancement of the compliance management.

The Compliance Consultation Office is established in the General Affairs Department of Shin-Etsu Chemical Co., Ltd. as an office to receive consultations or reports from employees or other relevant persons on violations of law, ethics or the company's rules, or other similar acts (herein referred to as the "Consultation Office").

#### **Methods for Consultation and Reporting**

The contact with the Consultation Office shall be made by e-mail, facsimile, letter (in a sealed cover) to the following number or address.

E-mail: [soudan@shinetsu.jp](mailto:soudan@shinetsu.jp)

Facsimile: +81-3-3279-3287

Letter: 6-1, Ohtemachi 2-chome, Chiyoda-ku,  
Tokyo 100-0004, Japan

Attention: Compliance Consultation Office  
c/o General Affairs Department  
Shin-Etsu Chemical Co., Ltd.