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Modern Slavery Statement – 1st January 2020

Shin-Etsu Handotai Europe Limited – Slavery and Human Trafficking Statement for the
Financial Year ending 31 December 2019.

INTRODUCTION FROM THE MANAGING DIRECTOR

We are aware that slavery, forced labour and human trafficking is a global and growing issue. We do not tolerate modern slavery or human trafficking in our organisation or in our supply chains. This statement sets out the steps that we have taken during our financial year of 1 January 2019 to 31 December 2019 to identify and eliminate, so far as possible, the risk of modern slavery and human trafficking taking place within any part of our business or within our supply chains.

No sector or industry can be considered immune and we are absolutely committed to preventing slavery and human trafficking within our corporate activities and our supply chains.

OUR GROUP STRUCTURE

Shin-Etsu Handotai Europe Limited is a Scottish registered company which was incorporated in 1984. It is part of the Shin-Etsu Handotai (SEH) Group and is a wholly owned subsidiary of Shin-Etsu Handotai Co. Ltd, which has its head office in Japan. The SEH Group operates in countries around the world including Japan, Malaysia, and Taiwan and also operates within North America and Europe.

OUR BUSINESS

We are primarily a manufacturer of high-grade silicon polished wafers and Epitaxial wafers for use in the semiconductor industry. Our products are used to produce a variety of products including MOS and bipolar integrated circuits and are generally aimed at the European market. Although some of our products are also supplied to countries within Asia and America. We also stock and supply wafers to the European market on behalf of other group companies within the SEH Group.

Our manufacturing and administrative base is located in Livingston, West Lothian, approximately twelve miles from Edinburgh. We also have two sales branches located near Nice in France and near Munich in Germany.

For further details on the SEH Group structure and the products we produce, please see the following web address: <https://www.sehe.com/>

- **Terms and Conditions of Purchase:** A copy of the terms and conditions can be viewed on our Company website. These terms and conditions :
 - Provide us with the right to terminate our relationship with a supplier in the event of a breach of certain policies and laws, including our Anti-slavery Policy or any modern slavery and human trafficking laws including the Modern Slavery Act 2015.
 - Require our suppliers to include appropriate provisions in their contracts with subcontractors and suppliers to ensure that they also comply with any modern slavery and human trafficking laws including the Modern Slavery Act 2015
 - Require our suppliers to use their best endeavours to prohibit the use of forced labour, child labour and physically abusive disciplinary practices.
 - Require our suppliers to implement due diligence procedures for its own suppliers and subcontractors.
 - Require our suppliers to comply with (i) the Responsible Business Alliance Code of Conduct (which is a code of best practices for the following five areas: Labour, Health and Safety, Environmental, Ethics and Management System).
 - Require our suppliers to support and respect the United Nations Universal Declaration of Human Rights, the International Labour Organisations fundamental conventions and the UN Global Compact and to sources all minerals responsibly.

Our standard procurement process ensures that all of our purchase orders incorporate our standard terms and conditions of purchase.

- **Code of Management Ethics** – This Code makes clear to our relevant employees the actions and behaviour that is expected of them. We are committed to conducting business fairly, with integrity and in compliance with all applicable national and international laws.
- **Whistleblowing Policy** – We encourage all of our stakeholders to report any concerns related to the direct activities or the supply chains of our business. This includes any circumstances that may give rise to an enhanced risk of modern slavery or human trafficking. Concerns may be reported to the company at contact@seheurope.com. All reports will be fully investigated and appropriate remedial actions taken.
- **Agency workers policy:** The organisation only uses specified, reputable employment agencies to source labour and always verifies the practices of any new agency it is using before accepting workers from that agency.

DUE DILIGENCE PROCESSES FOR SLAVERY AND HUMAN TRAFFICKING

We consider that our biggest exposure to modern slavery and human trafficking is in our product supply chains, where we have undertaken activity to minimise the risk of such threats. Any new suppliers are subject to due diligence checks and we regularly carry out audits of our existing suppliers. As part of our due diligence and audit process:

1. We provide all new key suppliers with a due diligence supplier assessment questionnaire in order to assess and evaluate the modern slavery and human trafficking risks of that supplier.

TRAINING

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we provide in-house ethics (includes modern slavery) training to all staff. We have trained staff (three within Procurement and two within Internal Control) on ethical procurement and supply, which included training on modern slavery and human trafficking. This training was sourced from the Chartered Institute of Procurement and Supply and is refreshed annually.

Additionally within 2019, we carried out "ethics refresher training" for our entire United Kingdom, French and German workforce (@500 employees) which included Modern Slavery awareness and whistleblowing

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 31 December 2019. This statement was approved by Shin-Etsu Handotai Europe Limited's board of directors on 17 December 2019 and is published in the Corporate Responsibility section of our website.

Signed on behalf of Shin-Etsu Handotai Europe Limited by:



Akihiko Tamura
Managing Director & CEO
Shin-Etsu Handotai Europe Limited