

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

Rev: 27 March 2026

## **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 Applicable documents**

Shin-Etsu Groups Mission statement  
Accounting controls & procedures  
JSOX controls & procedures  
EM1 Shin-Etsu Handotai Europe Limited Environmental system manual  
OH&S3 Occupational Health & Safety Management system manual  
HR Policies  
Annual Modern Slavery Statement  
RBA code of conduct:  
[https://www.responsiblebusiness.org/media/docs/RBACodeofConduct8.0\\_English.pdf](https://www.responsiblebusiness.org/media/docs/RBACodeofConduct8.0_English.pdf)

## **3.0 Responsibilities**

The Managing director is responsible for the implementation of this policy within Shin-Etsu Handotai Europe Ltd.  
The head of the Human Resources Department is responsible for maintaining and implementing appropriate human resource policies  
The head of the Finance & Accounts department is responsible for maintaining and implementing the Accounts system.  
The head of the Corporate Governance department is responsible for maintaining the Internal Control systems and establishing adequate monitoring & reporting of the effectiveness of this policy.  
The head of the Purchasing department is responsible for implementing Purchasing and ethical sourcing policies and communicating expectations to suppliers and or potential suppliers.  
The head of the Sales & Marketing department is responsible for communicating this policy to agents.  
All employee's and agents of the company are required to comply with the requirements of this policy.

## **4.0 Policy**

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

This means that the Company:

- Will not knowingly participate in unfair business practices, conducting its business fairly, honestly and transparently.
- Will avoid using misleading or false advertising
- Will avoid anti-competitive practices and behaviours
- Forbids facilitation payments being made on its behalf
- Has a zero tolerance approach for bribery, corruption, extortion and embezzlement
- Commits to the responsible sourcing of minerals used directly in (or in support of) its business activities.
- Will not tolerate forced labour (including human trafficking) or child labour.
- Makes accurate disclosures required by UK law & regulations
- Commits to protect / observe 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.
- Processes and maintains personal data only when there is a legal basis for doing so and will take suitable steps to protect that data from unauthorised use, ensuring it is deleted when no longer required.

- Will establish and operate a whistleblowing system, which allows for the investigation and resolution of concerns raised by stakeholders. Whistle blowers identities will be protected as required by UK law.

To support this activity the Company:

- Participates in the Responsible Business Alliance (RBA) and is aware of the RBA code of conduct complying with relevant requirements.
- Expects its suppliers to be aware of the RBA code of conduct and comply with relevant requirements.
- Ensures that procedures necessary for the implementation of this policy are maintained and communicated to stakeholders in an appropriate manner.
- Monitors new laws and industry best practice.
- Commits to maintain an environment supporting the continual improvement of its ethical performance

## **5.0 Summarised Procedures**

### **5.1.1 Legal & ethical procedures ensuring fairness and integrity (No improper advantage)**

- 5.1.1.1 Accounting controls & procedures are maintained in line with the principles of the current relevant UK financial reporting standards and audited by independent auditors. This audit includes a review of any potential fraudulent activity. The Company's annual report is published each September via Companies House.
- 5.1.1.2 Internal Controls (JSOX Business and IT controls & procedures) are maintained in line with the requirements of the Japanese Financial Instruments and Exchange Law 2006 and audited by independent auditors. These controls ensure the integrity of financial reporting and regulatory compliance. Internal controls are designed to assist the Company to comply with laws and regulations, and prevent fraud. Results are announced to the board of the parent company each July.
- 5.1.1.3 Bribery, corruption, extortion and embezzlement: The Company prohibits bribery, corruption, extortion and embezzlement in all their forms. This is communicated to stakeholders via our Company website <https://www.sehe.com/>. Suppliers are notified of this requirement via the Company's Purchasing Terms and conditions available on the Company's website and sent with each Purchase Order. Additionally the Company operates a whistleblowing system which provides contact details allowing confidential reporting of any concerns. All concerns raised by whistleblowing or identified by other means will be investigated and reported appropriately.
- 5.1.1.4 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. Employees receive annual refresher training which emphasises bribery / facilitation payments are not acceptable. This is also included within our Code of Business Ethics (available on Company website) and is included in our Purchasing terms and conditions. Additionally the Company operates a whistleblowing system which provides contact details allowing confidential reporting of any concerns. All concerns raised will be investigated and reported appropriately.
- 5.1.1.5 Gifts & hospitality: In line with the UK Bribery Act, 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.

As a guideline, gifts or hospitality to a maximum value of US\$50\* may be accepted or offered by employees without reference to management.

All gifts / hospitality offered by the Company must be recorded and approved on the Finance departments expenses report sheet SF4388.

\*per occurrence / maximum 2 occurrences per year

Gifts / hospitality of higher value or frequency, may be acceptable providing they are registered, are in line with the status and seniority of those involved, have no influence on decision making (not encouraging reward, favour or preferential treatment) and are approved by a Director.

Details of Gifts and Hospitality are reviewed with results summarised annually to the board of Directors.

- 5.1.1.6 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.
- 5.1.1.7 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 reviewed annually.
- 5.1.1.8 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. Conflict of interest awareness raising is carried out and suitable mitigation approved by management should any conflicts or potential conflicts be identified.
- 5.1.1.9 Competition: The company complies with the requirements of the UK Competition Act 1998 and does not participate in anti-competitive practices or false / misleading advertising practices. SEHE does not participate in product advertising.
- 5.1.1.10 Corporate Criminal Offence: The company recognises its responsibilities with regard to the UK 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.
- 5.1.1.11 The Company ensures the accuracy of information required to be published by UK law and regulations. This includes financial disclosures, strategic report, tax strategy, modern slavery statement, gender pay reporting and privacy notices.
- 5.1.1.12 Money laundering: The company recognises its responsibilities under the Proceeds of Crime Act 2002 which makes it a criminal offence to handle money derived from crime. Due diligence checks on customers and suppliers and a risk assessment of our business has not identified dealings in high risk countries or regions. Additionally we do not make or buy dual use goods and don't make or accept large cash payments – as such our business is considered to have low vulnerability to money laundering. Any suspicious activity may be reported as outlined in section 5.13 of this document for further investigation which may result in escalation to the National Crime Agency.

## **5.1.2 Intellectual Property and Privacy**

- 5.1.2.1 Privacy: The company complies with the requirements of the UK Data Protection Act 2018 controlling and processing necessary personal data only when there is a legal basis to do so and for as long as it is reasonably required.
- 5.1.2.2 All employees of the company are required to sign and adhere to the company's confidentiality agreement and all suppliers are required to adhere to appropriate confidentiality / non disclosure agreement(s) as defined in the company's Purchasing terms and conditions. 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.

### 5.1.3 Whistleblowing.

5.1.3.1 Whistle blowing: The Company complies with the UK The Public Interest Disclosure Act 1998 and provides methods for stakeholders to report qualifying disclosures confidentially and without fear of retaliation and will take necessary steps to protect whistle blowers identities.

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.

5.1.3.2 Also refer to Appendix A of this document: “Regulations of Compliance Consulting / Reporting System” which refers to a Corporate Whistleblowing contact as follows:

#### **Method of Contact and Contact Information of the Compliance Consultation Office**

- Email: [soudan@shinetsu.jp](mailto:soudan@shinetsu.jp)
- FAX: +81-3-5962-9756
- Letter (in a sealed cover):

4-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005, Japan

Addressed to The Compliance Consultation Office, Shin-Etsu Chemical Co., Ltd.

This contact address may be used for raising concerns about any Shin-Etsu Group Company, including SEHE

### 5.1.4 Monitoring, identifying and ensuring Compliance with laws and regulations

5.1.4.1 The Company follows advice from a variety of sources. These include but are not restricted to:

Its external auditors on financial, quality, environment and safety issues

Corporate instructions.

News letters from professional bodies (Finance & Accounting, Corporate Governance, Human Resources, Safety, Environmental bodies).

Monitoring the UK Governments websites.

Monitoring the EU websites.

Monitoring industry and trade bodies.

Feedback from Customers and market research.

5.1.4.2 The Company may allocate responsibility for implementation of new laws and regulations internally, externally or a combination of both depending on competence and resource availability

## 5.2 Safety & environmental Issues

5.2.1 Occupational Health and Safety: Shin-Etsu Handotai Europe maintains a system compatible with the requirements of ISO45001. This system is audited internally throughout the year and externally on an annual basis

5.2.2 Environment: Shin-Etsu Handotai Europe Limited maintains a system compatible with the requirements of ISO14001. This system is audited internally throughout the year and externally on an annual basis.

## 5.3 Labour Practices

5.3.1 Discrimination: 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.

5.3.2.1 Forced Labour: The Company will not tolerate any form of modern slavery, child labour or unethical recruitment / employment practices (such as retention of identification or immigration documents, charging of recruitment fees to employees or contractors, paying below national minimum wage in the Country of employment or imposition of penalties on employees who wish to end their contracts). The Company will comply with current working age and wage requirements, providing payslips as

verification of accurate compensation for work performed and listing any deductions.

- 5.3.2.2 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.
- 5.3.3 Working hours: Except in the case of emergencies or unusual situations working hours, including overtime) are not to exceed an average of 48 hours per week over a 17 week average period (opt outs are permitted in line with the UK Working time directive) with at least one day of every seven working days. All overtime is voluntary.
- 5.3.4 Harsh or inhumane treatment / dignity at work: Actual or threatened violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming, or verbal abuse of workers will not be tolerated. The company commits to treat all stakeholders with dignity, respect and courtesy in its business activity. Managers and others in a position of authority shall lead by example with the goal of preventing unfair treatment, bullying, harassment or victimisation. Disciplinary policies and procedures in support of these requirements have been clearly defined and communicated.
- 5.3.5 Freedom of association: The Company respects employees right to freedom of association within the limits of current UK law.
- 5.3.6 Young Workers (under 18 years old):

We do not employ any individuals under the age of 16 and carry out age verification as part of our pre-employment procedures.

16 – 17 year olds may be employed in line with current Scots law. Shift working is restricted with no night shift working permitted for any such workers and a maximum of 40 hours per week. Risk assessments must always be carried out with any required mitigation put in place prior to the young person starting the job in order to guarantee their safety.

The Company may assist local government / school schemes to provide short term (typically 1 – 5 days) work experience for children, who are under school leaving age (S4 – S6). This is permitted providing the child’s safety, health, development and education etc. are not put at risk. All placements take place during day shift hours and undergo pre-placement checks (including risk assessment) by the relevant local authority and / or school. The young person will receive a safety induction & be supervised at all times while on site with no access to hazardous areas. Work experience is considered an essential part of the education process and is encouraged by schools.

- 5.3.7 General: The Company supports 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. To support these activities, the Company maintains and implements a series of Human Resource Policies, issues an annual Modern Slavery Statement and endeavours to undertake initiatives of environmentally friendly technologies, processes and products.

## **5.4 Suppliers and Subcontractors**

- 5.4.1 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**



Regulations of  
Compliance Consult