

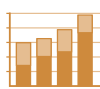
The Seven Principles of Sustainable Development

The Seven Principles are the foundation of Showa Shell’s efforts toward achieving sustainable development. Using the Seven Principles as a guide, Showa Shell is better able to:

- Make management decisions that reflect consideration of all financial, environmental, and social responsibilities
- Maintain a balance between short-term priorities and medium- to long-term needs
- Solicit outside stakeholder opinions in management decisions

Economy

Principle 1: Development of a sound base for profit generation p.22



Profitability is essential to a sustainable future and contributes to prosperous society. We will endeavor to develop a sound base for profit generation through the increase of sales, the reduction of costs, gross profit improvement and effective management of working capitals.

Principle 2: Provision of customer value p.24



Without customers, our business will never be justified to exist. We are always aiming to win new customers from those who have not used our products or services yet, while we are endeavoring to enhance our relations with the existing customers.

We will answer to our customers’ expectations by developing and offering products and services appearing attractive and innovative to them, endeavoring to surpass their expectations hopefully.

Environment

Principle 3: Environmental protection p.28



The natural environment is what supports every activity undertaken by mankind. We will continue our incessant efforts to find new approaches to mitigate environmental impacts from our business activities, products and services.

Principle 4: Resource management p.28



We can reduce the cost of our business activities and fulfill the needs of the future generations by effectively utilizing natural resources (for example, energy, soil and water). We will continue our incessant efforts to find better approaches to suppress the consumption of natural resources to necessary minimums.

Society

Principle 5: Respect for people and protection p.50



We aim to serve or receive all people with respect. We endeavor all the time not to do harm to people with our products, services or operations.

We will respect and find values in differences between individuals and in culture, and render active support so that people may demonstrate their potential abilities.

Principle 6: Contribution to society p.58



Irrespective of the place where we do our business, we are members of society. We will continue our incessant pursuit to develop appropriate means for contributing to the welfare of the local communities that accept our operations as well as society in general.

Principle 7: Collaboration with stakeholders p.60



We affect or are affected by our stakeholders, which consist of a large number of people from diverse tiers of society.

We will understand our stakeholders’ interest in us, listen to their opinions and aim at meeting their expectations.