

Management Philosophy and Sustainable Development

Management Philosophy

Showa Shell Sekiyu K.K. can only achieve a further leap and perpetual growth by constantly making its contribution to society, while securing reasonable profits and constructing a strong management base and sound corporate constitution. With this in mind, we set our corporate creed as follows:

We will always endeavor for a break-through or technological innovation with a spirit of customer first and for continual growth of the company, discharging our social responsibilities including environmental preservation, a stable supply of energy and operation safety.

We will implement Japanese-style management adaptable to changes at our own discretion and on our own responsibility, while maintaining close relationships with Shell Group companies and cultivating our international business sense.

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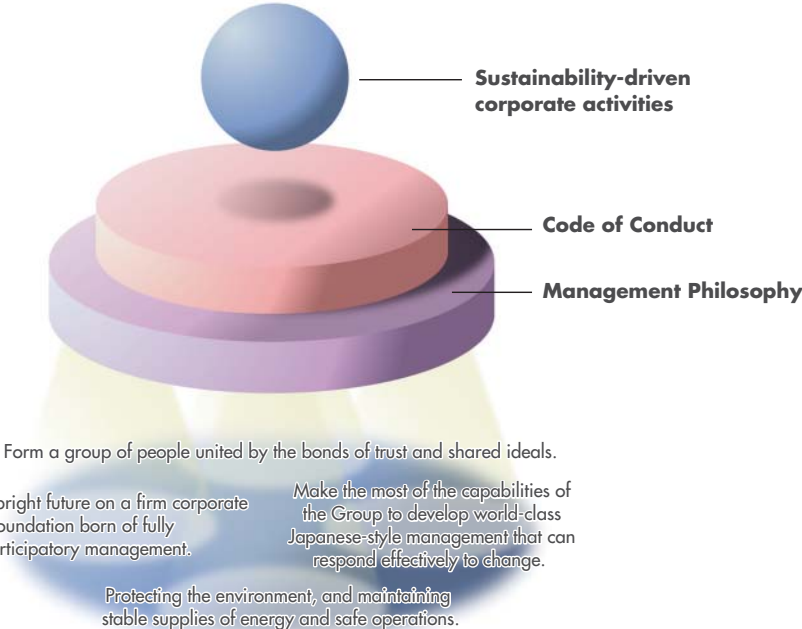
Instituted in 1985

Showa Shell Sekiyu’s Management Philosophy—Building a Framework for Achieving Sustainable Development

Showa Shell Sekiyu is committed to ensuring that all of its actions are grounded in its management philosophy.

Showa Shell’s sustainability promotion framework is intended to contribute to the creation of a sustainable society through the cooperation of stakeholders. All concrete actions must conform to the company’s Code of Conduct, which is based on Showa Shell’s Management Philosophy. Further, the corporate governance and internal controls system (see page 20) are the management tools that ensure that all corporate activities are appropriate and fair.

We believe that this framework will drive our progress toward the achievement of sustainability.



❖ Corporate Message

Zutto hashiro, Shell to hashiro (“Keep Going, with Shell”).

Showa Shell designated 2005, the 20th year following the merger that formed the company, as the year of the “New Foundation,” a year of further innovation and the creation of new value. The corporate message, Zutto hashiro, Shell to hashiro (“Keep Going, with Shell”), was written to foster widespread awareness and understanding of these activities among stakeholders.

The message is designed to communicate that Showa Shell is continuously striving for sustainability, working with its stakeholders to move toward the goal, and it conveys that this does not conflict with the high ideals of the company’s Management Philosophy.

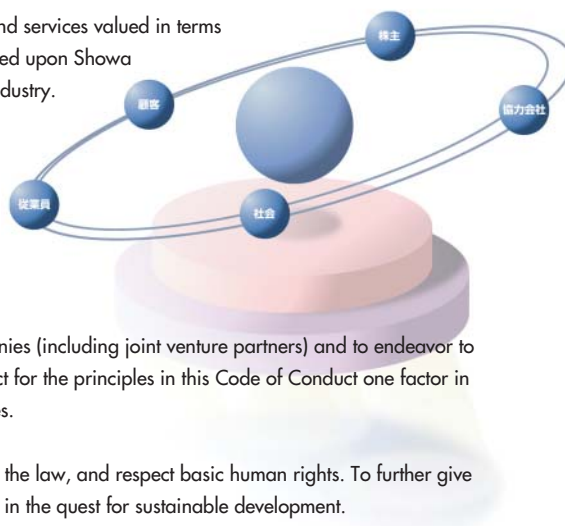
Code of Conduct – Showa Shell’s Basic Policy on Sustainability

Our Code of Conduct is based on Showa Shell’s Management Philosophy, and provides a guide for the execution of all of its corporate activities. The company is strongly aware of its corporate social responsibilities (CSR), beginning with regulatory compliance, and strives to meet expectations in socially, environmentally, and economically responsible ways. Together with this, Showa Shell is working with society to achieve sustainable development, has adopted the four principles below, and is working to become a leader in this effort.

1. Superior quality in our businesses
2. Continually improving shareholder returns
3. Employee pride and satisfaction
4. Being a responsible member of society

Showa Shell’s responsibilities to stakeholders include

1. Responsibility to Shareholders:
To be trusted with shareholders’ investments and offer satisfying returns.
2. Responsibility to Customers:
To win and retain customers by developing and offering products and services valued in terms of price, quality, safety, and the environment. Such services are based upon Showa Shell’s expert knowledge of technology, the environment, and the industry.
3. Responsibility to Employees:
To respect the characteristics and individuality of all employees and provide a safe working environment and positive working conditions. To further encourage employee development and utilization of their skills and promote employee participation in accordance with this Code of Conduct.
4. Responsibility to Cooperating Companies:
To pursue mutually beneficial relationships with cooperating companies (including joint venture partners) and to endeavor to promote the practice of Code of Conduct principles. To make respect for the principles in this Code of Conduct one factor in commencing or continuing relationships with cooperating companies.
5. Responsibility to Society:
To conduct business as a responsible corporate citizen, comply with the law, and respect basic human rights. To further give ample consideration to health, safety, security, and the environment in the quest for sustainable development.



 Code of Conduct (Full text)

<http://www.showa-shell.co.jp/english/profile/mp/action.html>