CSR Management

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The Renesas Electronics Group CSR Charter forms the basis of the Group’s CSR policies and activities, both internally and externally. The Company has also established a CSR Promotion Committee, which is chaired by its president and is in charge of making decisions regarding its CSR activities. In addition, the Company has set up a CSR & Compliance Division, which is exclusively tasked with promoting CSR activities. More specifically, the CSR & Compliance Division organizes Groupwide CSR activities while providing support and implementing educational programs to facilitate effective CSR activities.

Renesas Electronics Group CSR Charter

Renesas Electronics formulated the Renesas Electronics Group CSR Charter on April 1, 2010 in line with its establishment. This charter clarifies the principles and standards of behavior that we must adhere to in our business activities with customers and other stakeholders. In addition to ensuring legal compliance, the charter consists of such guiding principles as swiftly providing optimal, high-quality solutions to meet customer needs; carrying out ethical and transparent business practices; respecting the personalities of individuals; and contributing to harmonious coexistence with the environment. Pursuant to this charter, the entire Renesas Electronics Group is working as one to advance CSR activities.

CSR Promotion Committee

Renesas Electronics has established the CSR Promotion Committee to facilitate activities in line with the Renesas Electronics Group CSR Charter. The CSR Promotion Committee determines policies for Groupwide CSR activities, CSR objectives and targets, and priority CSR projects. Based on the decisions made by this committee, CSR activities are promoted on a Groupwide scale.

Specific CSR Activities

● In Step with the Latest CSR-Related Movements

A new international standard, coined ISO26000, was officially published in November 2010 and introduces best practice guidance for social responsibility. To fulfill its social responsibility and gain the trust of society, Renesas Electronics will closely adhere to the seven principles of social responsibility under ISO26000, namely: (1) accountability; (2) transparency; (3) ethical behavior; (4) respect for stakeholder interest; (5) respect for rule of law; (6) respect for international norms of behavior; and (7) respect for human rights. Through such adherence, the Renesas Electronics Group will work to enhance its CSR activities.

The 10th meeting of the Conference of the Parties to the Convention on Biological Diversity (COP10) was held in Nagoya City, Aichi Prefecture, Japan during October 2010. The assembly adopted a Strategic Plan for Biodiversity and the Aichi Targets, which call for “effective and urgent action to halt the loss of biodiversity in order to ensure that by 2020 ecosystems are resilient and continue to provide essential services.” The Strategic Plan includes a vision to achieve the ultimate goal of “living in harmony with nature” by 2050. Protecting biodiversity is a challenging issue, as it involves the preservation of individual organisms, species and ecosystems. But it is, without doubt, a critical issue that the entire human race must address. The Renesas Electronics Group is committed to playing its part in protecting biodiversity through business and social contribution activities. As these activities testify, we are accurately responding to the latest CSR-related movements while bolstering related initiatives.

● Social Contribution Activities

Today, many regions across the world are suffering water shortage attributable to deterioration in the global environment. Some experts believe that by 2025 approximately two-thirds of the world population will be affected by water shortages. Water resource depletion can have an unimag- nable impact on ecosystems and, ultimately, lead to the extinction of all living organisms on the Earth. Fortunately, Japan has not experienced a serious water shortage, but we must still take effective measures to ensure a sound water environment for the future.

The semiconductor industry requires a substantial amount of water. As we are part of this industry, we have begun implementing initiatives specific to each of the Japanese regions where we operate. For example, Renesas Electronics has nurtured the “Semiconductor Forest” in Kanagawa Prefecture and the “Forest of Renesas” in Kumamoto and Kochi prefectures as part of efforts to protect watershed forests. At these locations, we are also working to preserve biodiversity. Overseas, the Group is promoting afforestation and other biodiversity protection activities in China, Malaysia and Singapore.

The semiconductor industry also needs new generations of human resources for the future. The Company continues to hold electrical engineering workshops featuring Renesas semiconductors and to support such events as the “Micom Car Rally Competition,” a nationwide contest of self-propelled model cars using Renesas microcontrollers. (For more details, please refer to page 25 of this report.) Activities such as these are designed to help foster younger generations by providing knowledge about manufacturing, developing their creativity and encouraging them to grow into tomorrow’s engineers.

● Extending CSR through Supply Chain Management

Corporations are increasingly required to conduct CSR activities not just within the scope of their business, but also throughout their entire supply chains. In response to this trend, the Renesas Electronics Group is proactively involving all of its domestic and overseas suppliers in its framework of
Renesas Electronics participates in the United Nations Global Compact. The Global Compact was announced at the World Economic Forum in January 1999 by Kofi Annan, the Secretary-General of the United Nations at that time. This list of ten principles covers the four categories of “human rights,” “labour standards,” “environmental protection” and “anti-corruption.” Participating corporations pledge to observe these principles. Since the Global Compact was officially launched at the UN Headquarters in New York in July 2000, approximately 8,000 corporations and organizations* worldwide have declared their agreement with these principles and, consequently, participated in this compact. More than 100 Japanese corporations and organizations* also participate in this effort. At the Renesas Electronics Group, we regularly provide our executives and employees with e-learning seminars aimed at instilling a way of thinking consistent with the ten principles. These seminars enable our executives and employees to further raise awareness of these principles in daily operations.

Renesas Electronics is working constantly to reinforce its corporate governance, based on the understanding that efficient, sound and transparent corporate management is the key to making continuous improvements in its corporate value. To this end, the Company establishes necessary management frameworks and implements various initiatives.

Renesas Electronics has adopted a corporate auditor system, as defined under the Japanese Companies Act. Corporate auditors audit the execution of duties by members of the Board of Directors, underpinning the Company’s corporate governance structure. More specifically, full-time corporate auditors—including those appointed internally and having extensive knowledge of and experience in the Company’s business—collaborate with accounting auditors, the Internal Audit Office, and other related divisions and offices to efficiently collect timely, accurate information. At the same time, the Board of Corporate Auditors—which includes externally appointed corporate auditors who are independent from the Company—analyzes the collected information from a multifaceted and objective perspective. In this way, Renesas Electronics is maintaining an effective corporate governance structure, and we believe that this structure is suitable for the Company.

With the aim of bringing an external perspective to corporate management and thereby tackling management issues from various angles, Renesas Electronics has proactively selected members of its executive team from outside of the Company. These externally appointed executives have varied backgrounds and boast specialized knowledge in their respective field of expertise. Furthermore, to enhance its corporate governance and, consequently, business performance, the Company has selected independent directors and corporate auditors, who are competent in providing accurate and objective advice and judgment, pursuant to the Securities Listing Regulations of the Tokyo Stock Exchange on which the Company’s shares are listed. None of them have any vested interest in the Company.

### Participation in the United Nations Global Compact

**Corporate Governance**

**Basic Approach**

**Corporate Governance Report (Website)**


**Externally Appointed Executives**

With the aim of bringing an external perspective to corporate management and thereby tackling management issues from various angles, Renesas Electronics has proactively selected members of its executive team from outside of the Company. These externally appointed executives have varied backgrounds and boast specialized knowledge in their respective field of expertise. Furthermore, to enhance its corporate governance and, consequently, business performance, the Company has selected independent directors and corporate auditors, who are competent in providing accurate and objective advice and judgment, pursuant to the Securities Listing Regulations of the Tokyo Stock Exchange on which the Company’s shares are listed. None of them have any vested interest in the Company.
Internal Control System

The Board of Directors of Renesas Electronics has formulated and implemented the basic policy for developing corporate systems—including those to ensure appropriate operations of the Company—defined under Article 362, Paragraph 4, Item 6 of the Companies Act and Article 100, Paragraphs 1 and 3, of the Enforcement Regulations of the Companies Act. Moreover, the Company’s Internal Control Promotion Committee periodically holds meetings to deliberate and make decisions on issues, policies and other matters regarding internal control, as stipulated under the Companies Act and the Financial Instruments and Exchange Act.

Basic Policies of Internal control
japan.renesas.com/internal_control/

Compliance

Ensuring thorough compliance is a never ending pursuit and one of the most significant tasks for Renesas Electronics. Accordingly, the Company disseminates compliance-related policy information to all employees, while ensuring that they closely observe these policies.

Renesas Electronics Group Code of Conduct

With the aim of promoting compliance throughout the entire Group, Renesas Electronics formulated the Renesas Electronics Group Code of Conduct in April 2010. The Renesas Electronics Group Code of Conduct stipulates specific matters to be observed by all Group executives and employees in their daily business operations.

In each provision of this Code of Conduct, the subject “we” is used purposely in order to make all Group members understand that compliance issues apply to each and every individual. We must all strictly observe the Code of Conduct.

Renesas Electronics Group Code of Conduct (Website)
Compliance Promotion Structure

At Renesas Electronics, the Legal & Compliance Division is in charge of promoting compliance throughout the Group. More specifically, this division is tasked with: (1) the establishment of compliance systems; (2) the provision of support in the administration of compliance systems; and (3) the implementation of educational and awareness-raising programs relating to overall compliance-related subjects. Meanwhile, the Company has appointed compliance officers at individual business units and Group companies. These compliance officers support general managers of business units and presidents of Group companies in promoting compliance at each organization.

Compliance Promotion Structure

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<tr>
<th>Compliance Risks</th>
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<tr>
<td>Responsible Division/Office</td>
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<tr>
<td>Order Transaction Control</td>
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<td>Corporate Export Control</td>
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<tr>
<td>Corporate Communications, Corporate Planning</td>
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<td>Legal &amp; Compliance</td>
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<tr>
<td>Finance &amp; Accounting</td>
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<td>Human Resources &amp; General Affairs</td>
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<td>Purchasing</td>
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<td>Information Systems</td>
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<td>Intellectual Property</td>
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<td>Quality Assurance</td>
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<tr>
<td>Sales Strategic Planning</td>
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<td>Environment Promotion, Production and Technology</td>
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Compliance Education/Communication

The Renesas Electronics Group provides position-specific compliance education programs for new employees, new section chiefs and new managers. At the same time, the Group offers compliance education programs common to all executives and employees every year.

Also, the Company conducts compliance education tailored for divisions and offices responsible for individual risk categories—such as fair trade, information security, environmental protection and export control—through e-learning sessions and group seminars.

In addition, Renesas Electronics is constantly strengthening the internal dissemination of compliance-related information. More specifically, the Company distributes a variety of compliance-related information through its Intranet and monthly e-mail newsletters to all executives and employees. In particular, these e-mail newsletters include “Renesas Electronics Group Code of Conduct Case Studies,” which provide possible compliance issues and compliance quizzes. These tools are helping executives and employees to familiarize themselves with compliance issues.

Internal e-mail Newsletters

Secure Export Control Initiatives

The Renesas Electronics Group’s semiconductors and technologies are widely used in various industries. To ensure its products and technologies are not diverted to uses that could prevent the maintenance of international peace and security, the Group must manage these assets appropriately. Accordingly, and in addition to strict observance of applicable laws and regulations, Renesas Electronics has incorporated voluntary controls into its export control compliance programs, thereby promoting security export control in a manner more stringent than that mandated by related laws and regulations.

To ensure employees are able to take adequate action in line with the latest developments in the area of security export controls, the Company is providing Groupwide educational programs to raise employee awareness. Furthermore, through periodic internal audits, we are working to maintain, and improve as necessary, our systems to ensure sound export controls.

The Company strictly adheres to internal procedures for export control based on its compliance programs even when exporting materials, parts and components to overseas counterparts for assembly or fabrication. In the wake of the Great East Japan Earthquake, Renesas Electronics decided to undertake alternate overseas fabrication, and exports to such overseas counterparts have been subject to the same exacting controls.

Moreover, in step with information system integration promoted as part of its “100-day project,” the Company is working to standardize its internal export control procedures.

Thanks to these and other efforts, Renesas Electronics has been certified as an “Authorized Exporter,” or Authorized Economic Operator (AEO) Exporter, by the Tokyo Customs office of the Ministry of Finance of Japan, which is one of Japan’s AEO programs. In February and March 2011, Tokyo Customs conducted post authorization audits on the Company’s status on compliance with related regulations to which the Company is subject to as an Authorized Exporter. Through audit processes, Tokyo Customs confirmed that Renesas Electronics has ensured its compliance with applicable requirements.
Compliance Hotline

Group executives and employees may encounter a situation where they are not able to consult with or report to their supervisors or divisions and offices responsible due to certain reasons and circumstances even when they have identified compliance-related problems. To deal effectively with such a situation, the Company has established the Renesas Electronics Group Hotline (“Group Hotline”) as a whistleblower’s contact for consultation by executives and employees of domestic Group companies and the reporting of such problems. In addition, by employing a third party that serves as an external contact point, we have established a system under which the anonymity of the person reporting is protected upon their request. This external contact point can be accessed not only by the Group’s executives, employees or temporary staff, but also by members of the Group’s suppliers and authorized distributors. The Company’s internal rules clearly prohibit the disadvantageous treatment of those who consult with or report to the Group Hotline. The Company has posted such rules on its Intranet and Internet websites so that persons can use the Group Hotline without anxiety.

The content of such consultation and reports is reported at meetings of the Internal Control Promotion Committee chaired by the Company’s president, which enables the sharing of information about potential risks among top management.

Renesas Electronics Group Hotline

Risk Management

Formulation of the Basic Rules for Risk Management and Policies for Countering Management Crises

Renesas Electronics has formulated the Basic Rules for Risk Management and, based on these rules, the Company has established a Groupwide risk-management structure.

Risks in overall corporate management are categorized according to the level of possible exposure and the degree of potential impact on the Company. The Company designates a division or office responsible for each risk category. To effectively manage risks in their respective fields of responsibility, these divisions and offices collaborate on a regular basis. When a management crisis occurs, Renesas Electronics sets up a risk-specific taskforce in line with planned countermeasures. These risk-specific taskforces do their utmost to minimize the negative impact resulting from a management crisis.
Business Continuity Plan

Through efforts to reinforce its risk-management structure, Renesas Electronics and its Group companies have unani-
mously recognized a business continuity plan (BCP) as the
central means to prevent disasters and manage risks. In line
with this recognition, the Company has worked proactively
to establish and strengthen its BCPs with the aim of pro-
tecting the safety of its employees, continuously fulfilling its
responsibility as a supplier of products and services, and
safeguarding its management resources.

For example, in preparation for large-scale earthquakes,
all related divisions and offices have formulated their own
BCPs, which include general safety measures, emergency
response frameworks, damage minimization measures,
business continuity measures and quick recovery measures.

The Great East Japan Earthquake on March 11, 2011

Enhancing Our BCPs to Achieve Stable Supply in Emergencies

Exposed the limits of the Company’s existing BCPs. The
scale of damage caused by the disaster went beyond the
assumptions used for the formulation of these BCPs.
Underestimation led to difficulties in implementing responses
for certain matters. Therefore, based on the experience we gained through the disaster, we conducted a compre-
hensive review of the BCPs at individual business units.
Each business unit identified problems in its BCP and
examined possible countermeasures, thereby revising its
BCP for greater effectiveness. Major revisions made to
BCPs included: (1) anti-seismic reinforcement measures; (2)
strengthening alternate production networks; and (3)
enhancing risk communication with customers. Looking
ahead, the Renesas Electronics Group will continue to bol-
stier its supply chain management (SCM) through more
effective inventory control in all stages, encompassing raw
material procurement, unfinished goods and finished prod-
ucts. Such SCM will enable the Group to help its customers
continue their production even in emergency situations.

Also, the Group will work to more strategically procure
the raw materials it requires through, for example, the use of
multiple channels and the effective management of risk
information covering secondary suppliers. Based on what
we learned from the disaster, we will promote appropriate
risk management in such areas as the storage and volume
of unfinished goods. Through such risk management, we aim
to build a structure that allows us to ship products even
as we promote recovery activities after disasters. (See chart
below.) We will continue to improve the effectiveness of our
revised BCPs through continuous verification while enhanc-
ing the response capabilities of our employees through
the provision of training programs.

In addition to its BCPs relating to natural disasters,
Renesas Electronics is currently working to enhance its
BCPs associated with possible pandemics. More specifical-
ly, based on our experience with the outbreak of a new
strain of less-virulent influenza in April 2009, we are now
reinforcing our BCPs in preparation for a possible outbreak
of a new strain of highly-virulent influenza.

Confidential Information Management/Personal Information Protection

In April 2010, Renesas Electronics established the
Information Management and Security Committee. Chaired
by the Company’s president, the Information Management
and Security Committee is tasked with the deliberation, for-
mulation and promotion of important Group policies and
measures relating to overall information management, which
includes the management of confidential information and
the protection of personal information.

In accordance with the policies formulated by this com-
mittee, the Legal & Compliance Division formulates specific
plans for confidential information management and personal
information protection through collaboration with related
divisions and offices. In addition, the Legal & Compliance
Division is working to make sure that all business units
and Group companies are thoroughly implementing activities
in line with the plans it formulated.

Renesas Electronics and its domestic subsidiaries have
appointed information management managers and informa-
tion management promoters who assist information man-
agement managers. Information management promoters
are in charge of promoting information management activi-
ties at their respective business units and subsidiaries.

Specific procedures for confidential information man-
agement and personal information protection have been
stipulated in the Basic Rules for Confidential Information
Management and the Basic Rules for Personal Information
Protection, respectively. Pursuant to these internal rules, the
Company is striving to manage these types of information in
an appropriate manner.

Also, Renesas Electronics formulated in April 2010 a
“Privacy Policy” that explains its stance toward personal
information protection, and in November 2010 an
“Information Security Policy” that explains its stance toward
information security. These policies are disclosed on the
Company’s website.

Privacy Policy (Website)
www.renesas.com/privacy/

Information Security Policy (Website)