

Renesas Electronics Corporation

CSR REPORT 2014

Social and Environmental

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Aiming to Realize Our Vision and Build Our Future



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How to Use

Each page in this report contains navigation buttons and category tabs to make it easy to move from page to page.

Navigation button

- ◀ Go to Contents.
- ◀◀ Go back one page.
- ▶▶ Go forward one page.

Category tab

Go to top page in each category.

Link button

Links to site outside of report.

Editorial Policies

This CSR Report is intended for the many stakeholders of the Renesas Electronics Group, including employees, customers, members of the local communities where we conduct business, suppliers and partners, and shareholders and investors. With the objective of promoting two-way communication between the Company and these stakeholders, this report explains our approach to CSR and the environment and illustrates our specific activities in an easy-to-understand fashion.

Guidelines Used

- Environmental Reporting Guidelines 2012 (Ministry of the Environment, Japan)
- Environmental Accounting Guidelines 2005 (Ministry of the Environment, Japan)
- Sustainability Reporting Guidelines 2006 (Third Edition) (Global Reporting Initiative)
- ISO 26000: 2010 Guidance on Social Responsibility (Japanese Standards Association)

Reporting Scope

The report covers the Renesas Electronics Group, which consists of Renesas Electronics Corporation, xx domestic Group companies and xx overseas Group companies.

In this CSR Report, we use the fiscal year, which ends on the last day of March.

- Example:
- Fiscal 2014 (From April 1, 2013 to March 31, 2014)
- Fiscal 2015 (From April 1, 2014 to March 31, 2015)

Reporting Period

This report primarily covers the period from April 1, 2013 to March 31, 2014, and includes reports on certain subsequent activities.

Publication Date

September 2014 (Next publication scheduled: September 2015)

Reporting media

- Information on our CSR activities may be found on our Website as well as in this report.
- ➡ http://www.renesas.com/comp/csr_eco/csr/index.jsp (CSR section)
- ➡ http://www.renesas.com/comp/csr_eco/eco/index.jsp (Environmental Activities section)
- We report economic information on our Website.

Corporate Outline

Company Name

Renesas Electronics Corporation

Registered Head Office

1753 Shimonumabe, Nakahara-ku, Kawasaki,
Kanagawa 211-8668, Japan

Headquarters

Nippon Bldg., 2-6-2, Ote-machi, Chiyoda-ku,
Tokyo 100-0004, Japan

Established

November 1, 2002
(Started operation on April 1, 2010)

Capital Stock

228.3 billion yen (As of March 31, 2014)

Major Operations

Research, development, design, manufacture,
sale, and servicing of semiconductor products

Employees

(Consolidated) 27,200 (As of March 31, 2014)

Websites

japan.renesas.com (Japanese version)
www.renesas.com/index.jsp (English version)

Domestic Sites

Manufacturing and Manufacturing Support Companies

- Renesas Semiconductor Manufacturing Co., Ltd.
- Renesas Semiconductor Package & Test Solutions Co., Ltd.

Design, Development and Application Technologies Companies

- Renesas Electronics Corporation
- Renesas System Design Co., Ltd.
- Renesas Solutions Corp.
- Renesas Engineering Services, Co., Ltd.

Sales Company

- Renesas Electronics Corporation

Business Companies and Others

- Renesas Mobile Corp.
- Renesas SP Drivers Inc.

Overseas Sites

Manufacturing and Manufacturing Support Companies

- Renesas Semiconductor (Beijing) Co., Ltd.
- Renesas Semiconductor (Suzhou) Co., Ltd.
- Renesas Semiconductor Singapore Pte. Ltd.
- Renesas Semiconductor (Malaysia) Sdn. Bhd.
- Renesas Semiconductor Technology (M) Sdn. Bhd.
- Renesas Semiconductor (Kedah) Sdn. Bhd.
- Renesas Semiconductor KL Sdn. Bhd.

Design, Development and Application Technologies Companies

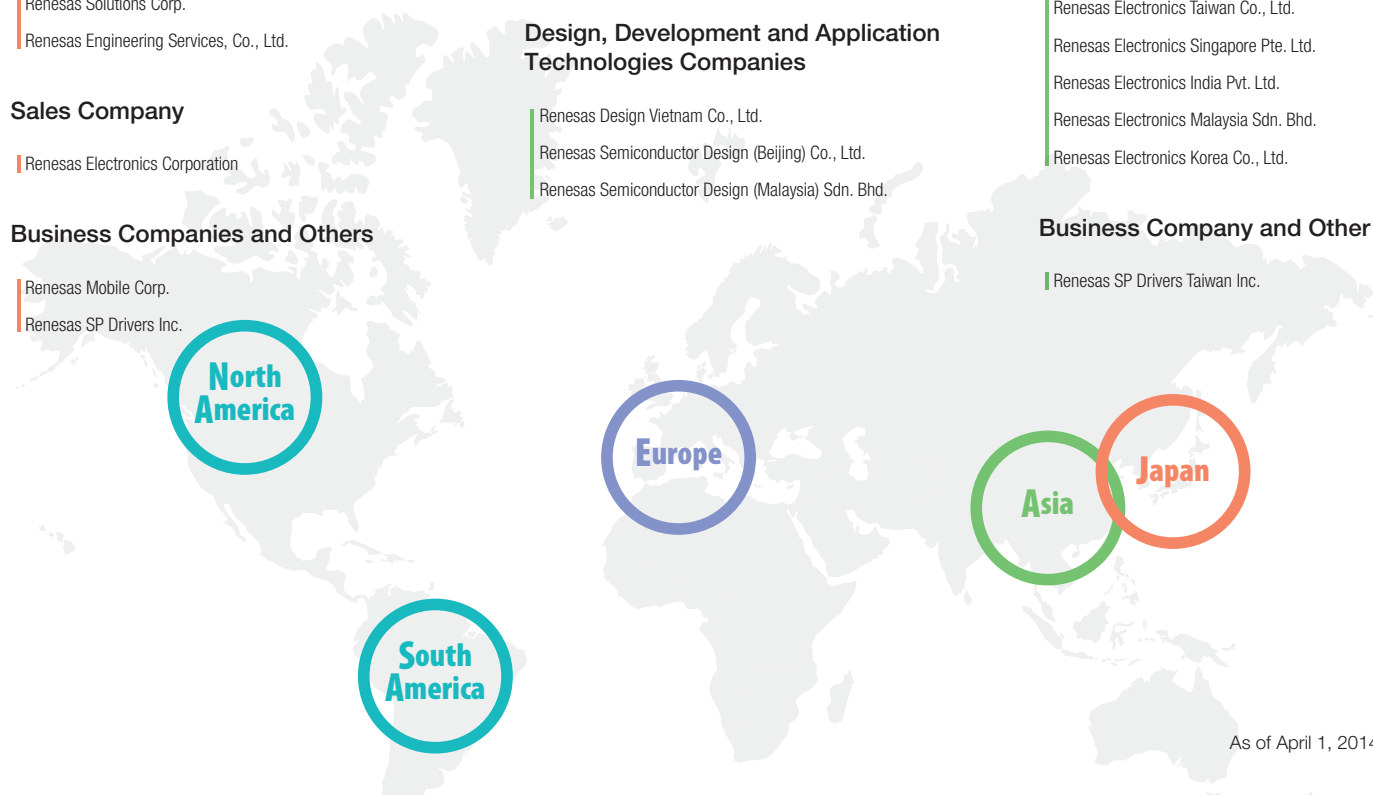
- Renesas Design Vietnam Co., Ltd.
- Renesas Semiconductor Design (Beijing) Co., Ltd.
- Renesas Semiconductor Design (Malaysia) Sdn. Bhd.

Sales Companies

- Renesas Electronics America Inc.
- Renesas Electronics Canada Limited
- Renesas Electronics Brasil-Servicos Ltda.
- Renesas Electronics Europe Limited
- Renesas Electronics Europe GmbH
- Renesas Electronics (China) Co., Ltd.
- Renesas Electronics (Shanghai) Co., Ltd.
- Renesas Electronics Hong Kong Limited
- Renesas Electronics Taiwan Co., Ltd.
- Renesas Electronics Singapore Pte. Ltd.
- Renesas Electronics India Pvt. Ltd.
- Renesas Electronics Malaysia Sdn. Bhd.
- Renesas Electronics Korea Co., Ltd.

Business Company and Other

- Renesas SP Drivers Taiwan Inc.



Business Domains and Semiconductor Sales Ratio by Business (Fiscal 2014)

MCU Business



44%

Major Products

- Microcontrollers

Major Applications

- Automobiles • Industrial applications • Consumer electronics (Digital home appliances, white goods, game consoles) • PC and PC peripherals (Hard disc drives, etc.)

Analog & Power Semiconductor Business



34%

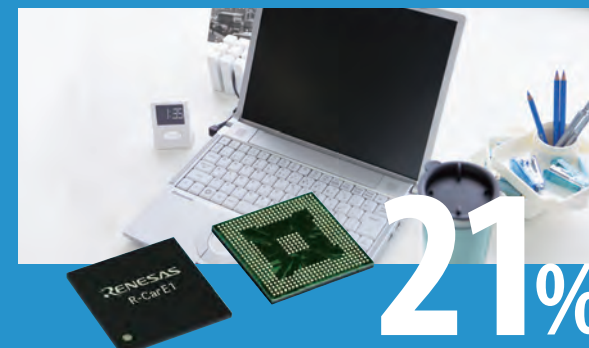
Major Products

- Power MOSFET • Mixed-signal ICs • IGBT • Diodes • Small signal transistors • Display driver ICs • Compound semiconductors

Major Applications

- Automobiles • Industrial applications • PC and PC peripherals (Hard disc drives, etc.) • Consumer electronics (Digital home appliances, white goods, game consoles)

SoC Solutions Business



21%

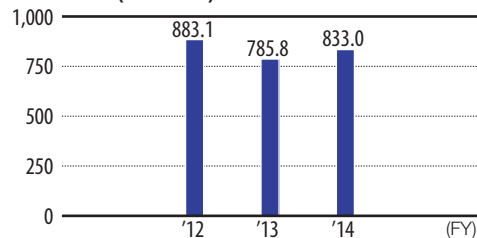
Major Products

- ASIC • ASSP

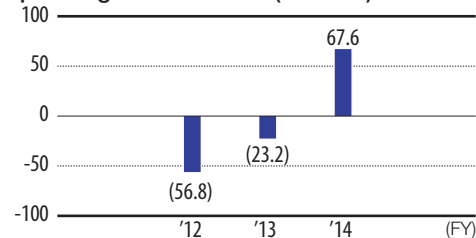
Major Applications

- Networking equipment • Industrial applications • PC and PC peripherals (Hard disc drives, USB, etc.) • Consumer electronics (Digital home appliances, game consoles) • Automobiles (Car navigation systems)

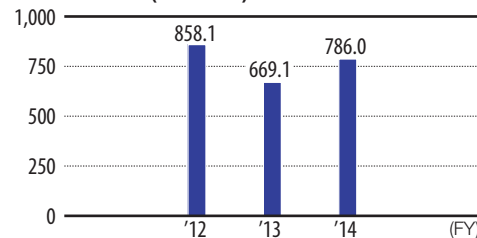
Net Sales (¥ billion)



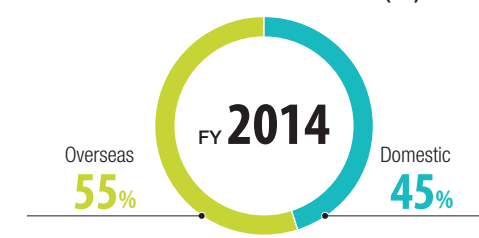
Operating Profit or Loss (¥ billion)



Total Assets (¥ billion)



Domestic/Overseas Sales Ratio (%)



Top Message



Chairman and CEO

Hisao Sakuta

We seek to coexist happily with our stakeholders by increasing corporate value

At Renesas Electronics, our aim is to practice CSR as a way to coexist with our stakeholders, using our solid technologies to build a path to the future and increase our corporate value. We prepared CSR Report 2014 as a way to express our stance on CSR and describe the initiatives we are taking to practice it. We hope you will find the report informative.

■ We fulfill our social responsibility by enhancing our corporate value in a balanced manner.

Corporate value, as I see it, is economic value (sales, profitability, and so on) multiplied by social value (our contribution to society). In other words, if one multiplier is zero or negative, total corporate value will also be zero or negative. I see economic value and social value as two wheels of the same cart. Increasing them in balance with each other is a business's social responsibility. Stakeholders will trust us only when this has been accomplished.

■ We aim for sustainable growth by “going back to the source” and acting autonomously.

Since our corporate integration in 2010, Renesas Electronics has been transforming itself into a muscular organization by selecting and concentrating our businesses and products,

transferring and closing factories, and other moves. During this time, we experienced the Great East Japan Earthquake of 2011 and the sharp run-up in the value of the yen in 2012, which kept us from meeting our stakeholders' expectations. However, in fiscal 2014, our steady reforms began to produce results, including profitability.

Stable profitability is essential for an enterprise to grow sustainably, but it is not the only reason enterprises exist. Our goal is to know what we are in business for, and to run our business in a way that our many stakeholders can understand.

Renesas Electronics has a number of outstanding semiconductor technologies that are building a path to the future. I am absolutely convinced that when our employees think and act for themselves, we can offer technologies, products, and services that are useful to society.

Achieving this all depends on having a vibrant workplace where each employee works autonomously. Without that, there is no innovation and no growth. We aim to be a company and workplace that gives autonomy to our employees and motivates them to draw out their creativity.

Top Message



■ We help to achieve a sustainable society by taking advantage of outstanding technology and creating optimal solutions.

The international community faces numerous problems that must be dealt with by society as a whole: planetary problems like global warming, water resources and energy as well as poverty and human rights. We cannot realize our vision and build a future unless we solve these problems.

Although one enterprise cannot solve such problems by itself, we believe that there is much we can and should do to help.

The times call for achieving a society that is both eco-friendly and comfortable to live in. Renesas Electronics has excellent technology and strong products to meet these needs. By creating optimal solutions and offering exacting service, we will help to achieve a sustainable society.

We are also making a greater effort than ever before in respect to human rights and environmental problems. Since 2008, Renesas Electronics has endorsed and practiced the 10 Principles of the United Nations Global Compact in the four areas of human rights, labor, environment, and anti-corruption. Through our compliance with and practice of these 10 Principles, we as a global enterprise will contribute to the building of a sustainable society.

■ We communicate with our stakeholders and pursue our business to meet their expectations.

We aim to be a trusted partner meeting the needs of our customers the world over. With our No. 1 share of the world market for microcontrollers, we will rapidly propose and provide highly competitive products and optimal solutions.

Communicating with our stakeholders, especially our customers, is very important for doing this. Our aim is to listen at every opportunity.

Our top management itself goes back to the starting point of manufacturing. By keeping a common and thoroughgoing awareness of the situation and sharing information, technology, and know-how, we will conduct our business to meet the expectations of all stakeholders involved.

■ We seek to coexist happily with our stakeholders as a good corporate citizen.

The Renesas Electronics Group takes social initiatives all over the world. As a good corporate citizen, we will continue to value our ties with our various stakeholders and to listen to their input. As our aim is to be a company that is trusted by and coexists with its stakeholders, we hope we can continue to count on your support.

CSR in the Renesas Electronics Group

The Renesas Electronics Group believes the CSR we are called on to practice is to contribute to solving the problems that society is facing, like the environment, human rights, poverty, and support for industrializing nations. We do this by conducting business based on our Corporate Philosophy. To that end, the Group undertakes business activities with a balance of environmental, social, and economic aspects. We maintain good relations and value dialogue with our various stakeholders (customers, suppliers, shareholders, and the local community), and we actively take on social problems and contribute to the sustainable development of society.



Renesas Electronics Group CSR Charter Formulated April 1, 2010

The Renesas Electronics Group will contribute to the sustainable advancement of society. As an enterprise, we will conduct business that helps build a better future for people around the world by supplying superior semiconductor products powered with advanced technologies and by providing customer service that is honest and sincere. We pledge to conduct our business with integrity and in compliance with legal requirements. We will work with and for the benefit of our stakeholders based on the following guiding principles:

Customer focus

We will quickly provide optimized, high-quality solutions in response to our customers' needs to maximize customer satisfaction and to earn our customers' trust.

Sound business practices

We will carry out fair, ethical and transparent business practices and convey these practices to all our stakeholders. In addition, we will maximize our corporate value through business practices that allow us to continue to grow.

Healthy work environment

We will respect the individual personalities of our employees. We will promote a rewarding, safe, and flexible working environment where each person is able to demonstrate his/her best talents and capabilities.

Global perspective

As a member of the global community, we will respect the history, culture, customs and human rights of each country and region, and we will not practice or permit any forced or child labor. In addition, we will promote activities that contribute to the betterment of the global society.

Environmentally friendly

We pledge to develop, manufacture and sell semiconductor products that respect the environment, and we will strive to minimize the environmental impact of our products throughout the entire product life cycle. We will also participate in activities intended to harmonize human pursuits and the environment, promoting increased awareness of issues such as climate change and biodiversity.

CSR activities in response to changes in society and the needs of the times

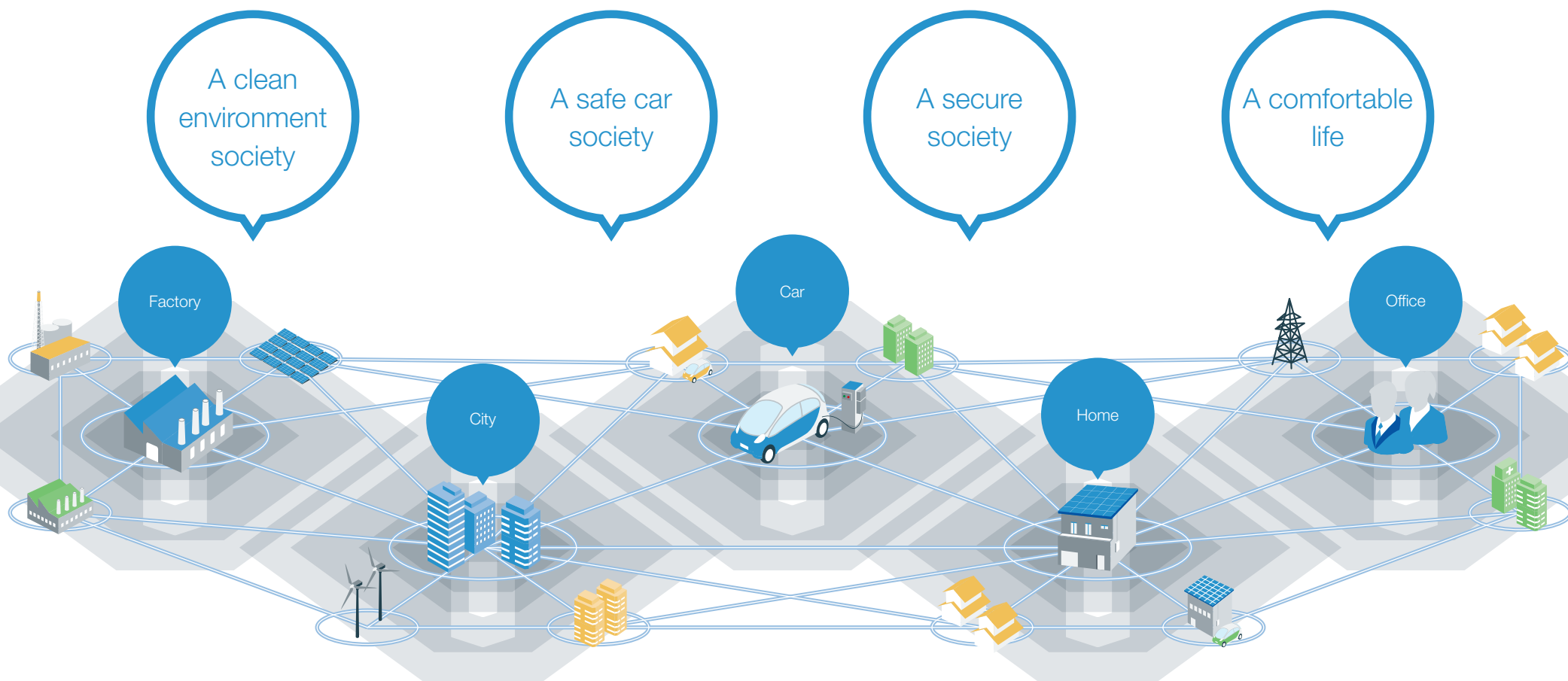


Special Feature Business Policies of the Renesas Electronics Group

Toward a Safe, Secure, Comfortable, and Eco-Friendly Society

Modern society has to deal with numerous challenging issues, like booming demand for electric power worldwide, rapid urbanization and increasing population in emerging countries, and the aging of the world's population.

Such problems are especially prominent in the emerging countries. It is no longer enough to transplant the status quo of the developed countries to emerging ones. Today we are called upon to seek solutions to problems in both types of countries at the same time. At the Renesas Electronics Group, we believe we can solve these problems by building a society that is safe, secure, comfortable, and eco-friendly.



Contributing by Offering Optimal Services with More Added Value

The Renesas Electronics Group aspires to respond to a changing market environment and build a society that is safe, secure, comfortable, and eco-friendly. We pursue this aim by offering optimal services with more added value. We have three tiers of semiconductor solutions—devices, kits, and platforms—which we make available to our primary fields of focus: Automotive, Industrial and Home Electronics, and OA/ICT.

Devices: Our traditional business model, offering individual products like MCUs, analog devices, and power semiconductors
Kits: A business model offering solutions optimized for customers' products with combinations of individual semiconductor products
Platforms: A business model offering solutions that include software and intellectual property (IP) as products get more complex and highly functional

Automotive

Integrated cockpit/navigation + safe driving support



Renesas
R-Car

Ecosystem collaboration

Industrial and Home Electronics

Industrial Ethernet



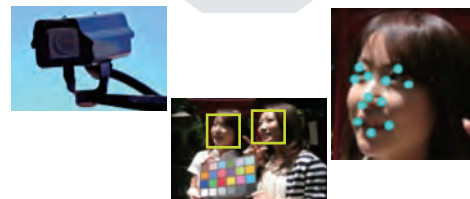
Renesas
R-IN

EtherCAT[™] CC-Link IE
EtherNet/IP PROFINET

Industry-standard platforms

OA/ICT*

Network/surveillance camera platforms



Platform value
Ecosystem, Software,
Application

Solutions for new e-mobility, motorbikes in emerging countries



MCU + Power kit solutions

Solutions for motor control, smart meters



MCU + Power kit solutions

Solutions for offices, communications, security



MCU + Analog kit solutions

Kit value
Kit device,
System know-how

MCUs for driving, steering, and braking control



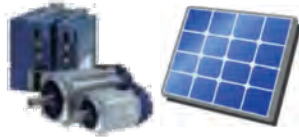
Analog and Power
semiconductors



General-purpose MCUs for embedded solutions



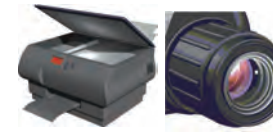
Power
semiconductors
for industry



OA/Camera MCUs



Network memory,
MCUs for OA/
Camera



Device value
Performance,
Function

*OA: Office Automation
ICT: Information and Communication Technology

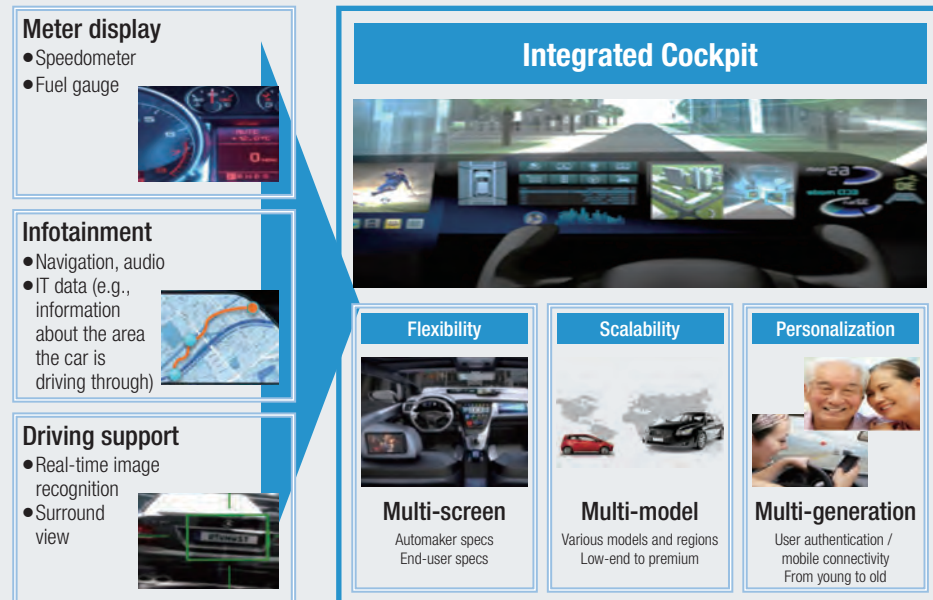
Platform Solutions Example 1

Integrated Cockpit

R-Car Platform Achieves People-Friendly Interface

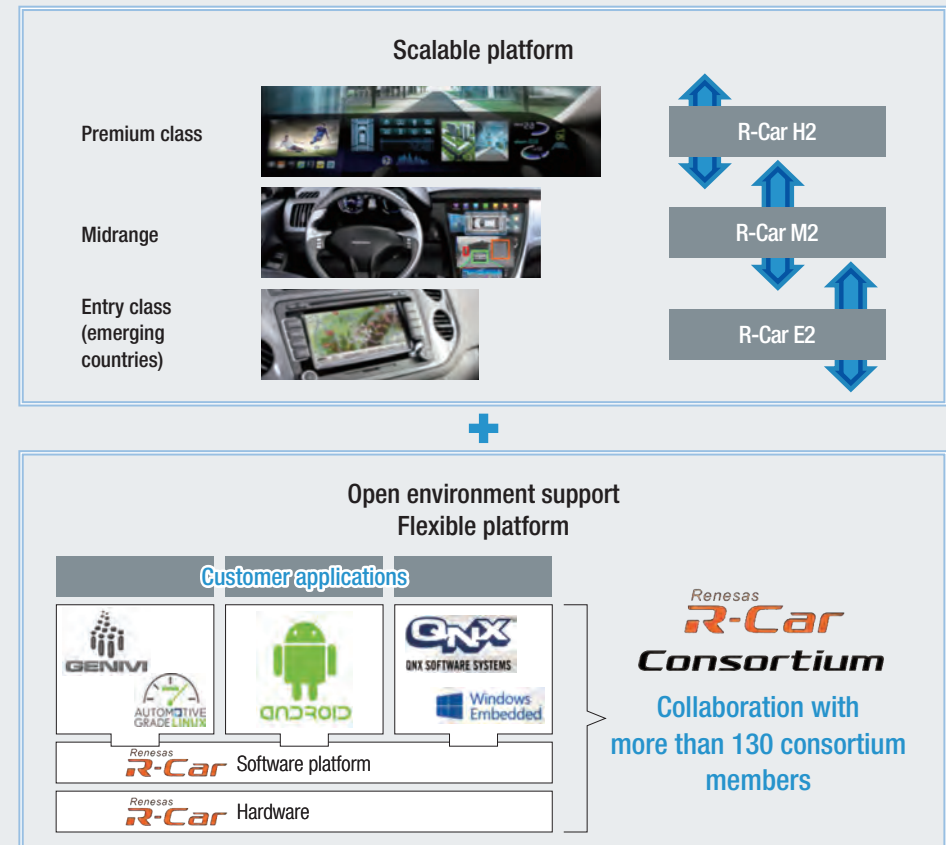
The next generation cars are increasingly integrating information systems (IT), such as high-performance navigation and safe driving support, with conventional “driving, steering, and braking” control systems (control). As cars incorporate more and more IT, the driver seat is evolving into an “integrated cockpit,” bringing together the traditional meter display, infotainment (such as IT data that is connectable to the car navigation systems and can be obtained from the cloud), and driving support in the form of warnings and surround view. All of this data is made available to the driver on an easy-to-read display. The integrated cockpit is a good example of a people-friendly interface. By instantly offering the needed information just when it is needed, it enhances driver comfort, safety, and security.

For the Renesas Electronics Group, the integrated cockpit concept has three aspects: flexibility (supporting multiple screens), scalability (supporting multiple vehicle models), and personalization (accessible to multiple generations of users). The solutions we offer are tailored to achieve these objectives.



Scalable and Flexible R-Car Platform

The Renesas Electronics Group offers the R-Car SoC series in a scalable format matching customer specifications, whether entry class, midrange, or premium class. R-Car is an open platform that we are building with more than 130 partner companies. We are working to expand the menu of software, development environments, and so on supporting the variety of operating systems used by customers. In this way we are working to achieve an integrated cockpit with the three concepts.



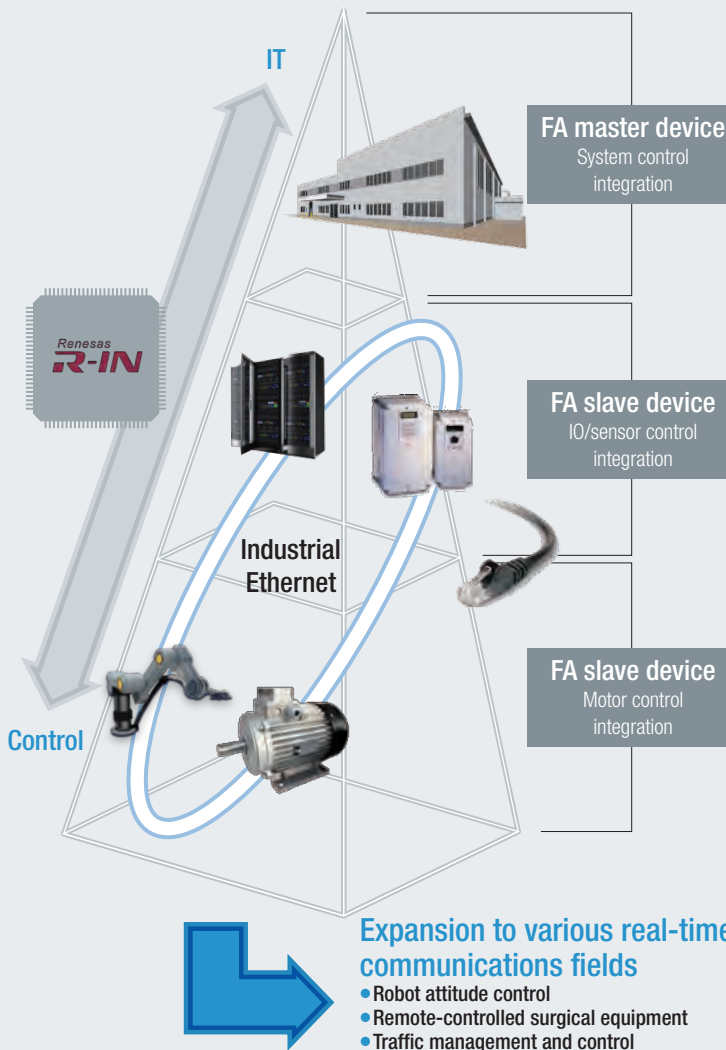
(Note) GENIVI is a registered trademark of the GENIVI Alliance. Linux is a trademark of Mr. Linus Torvalds. Android is a trademark or a registered trademark of Google Inc. QNX is a registered trademark of QNX Software Systems Limited. Windows is a trademark or a registered trademark of Microsoft Corporation (USA) in the USA and other countries.

Platform Solutions Example 2

R-IN Platform

Combining High-Speed Communication with Low Power Consumption to Boost Factory Efficiency and Save Energy and Labor

Modern factories are increasingly using tools like industrial robots to replace human operators. They are also adopting FA (factory automation) to enhance work efficiency and safety. FA devices have linked to each other with a variety of network standards, but now the world is moving toward connecting FA devices by industrial Ethernet which is based on Ethernet, the global network standard. Linking numerous control devices by IT allows entire factories to operate efficiently while saving energy and labor. The Renesas Electronics Group was among the first to support various communication protocols for industrial Ethernet. We offer the R-IN SoC, which saves energy while enabling communication speeds that are 5 to 10 times faster than before. Through the R-IN Consortium, a group that we announced in September 2014, we will collaborate with our partner companies to build R-IN platform solutions by offering a range of software and development environments. By developing R-IN for use all the way up to the highest levels of the factory, we will contribute to greater efficiency and savings of energy and labor in factories around the world with this de facto solution for all FA devices. In addition, we will develop R-IN not just for the factory but also for applications requiring real-time communications, such as robot attitude control.



Enabling Faster, Energy-Saving Industrial Ethernet with Super Real-Time R-IN Engine

- Super-fast real-time response
- Stable control with low fluctuation
- Enables low-power systems

5 to 10 times
faster communication

Supporting the World's Standards



EtherCAT[®] CC-Link IE
EtherNet/IP[™] PROFINET[®]

Launch of R-IN Consortium

In September 2014, we started to invite partner companies to jointly provide software, operating systems, development environments that support R-IN.

Expansion to various real-time communications fields

- Robot attitude control
- Remote-controlled surgical equipment
- Traffic management and control

(Note) EtherCAT is a registered trademark and the name of a patented technology licensed from Beckhoff Automation GmbH (Germany). CC-Link IE is a registered trademark of the CC-Link Partner Association (CLPA). EtherNet/IP is a registered trademark of ODVA. The PROFINET logo is a registered trademark of PROFIBUS International.

Social Responsibility

Customer Satisfaction Surveys in
Fiscal 2014

292 responses

Number of People Using Childcare Leave

70

C O N T E N T S

- Customers
- Shareholders/Investors
- Suppliers
- Sales Partners
- Employees
- Local Communities



For Our Customers

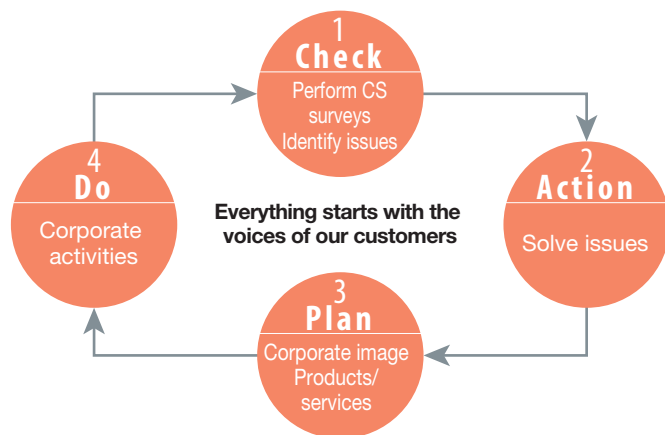
Stance of the Renesas Electronics Group

One of the basic policies of the Renesas Electronics Group is to increase customer satisfaction and earn customer trust by responding quickly to their needs and offering appropriate high-grade solutions. In line with this policy, all Renesas Electronics employees in each division and each office are implementing business activities with the Company's customers in mind.

Seeking Customer Satisfaction through Company-wide Improvement Initiatives

The Renesas Electronics Group believes that customer feedback is a valuable management resource for enhancing customer satisfaction (CS). As a Group-wide initiative, we strive to make improvements so that this management resource can help increase customer satisfaction. The results are reported to upper management and disclosed throughout the Group so that all employees have the same information.

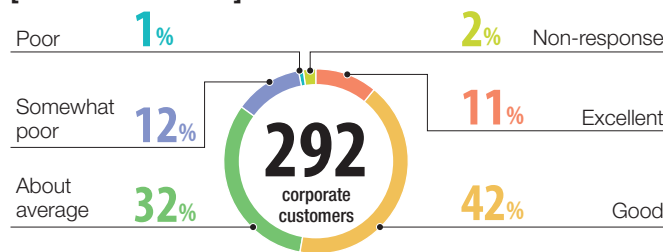
Customer Satisfaction Management



CS Surveys for Better Customer Satisfaction and Communication

Each year the Renesas Electronics Group conducts CS surveys, analyzes the results and uses them to improve products, services and business activities. And March 11 is designated "Trust and Peace of Mind Day" in the Group. We periodically check how much our customers trust us and make improvements, aiming to earn even greater trust. As part of this, we did a CS survey in March 2014. We received 292 responses from 117 corporate customers in Japan and abroad. We have been sharing the results throughout the Group to improve CS.

Customer Evaluation of Renesas Electronics [General Evaluation]



General evaluation: Respondents evaluated Renesas Electronics generally in nine categories, including quality of operating activities, technical support for set development, effectiveness of suggestions to customers, product quality, and so on.

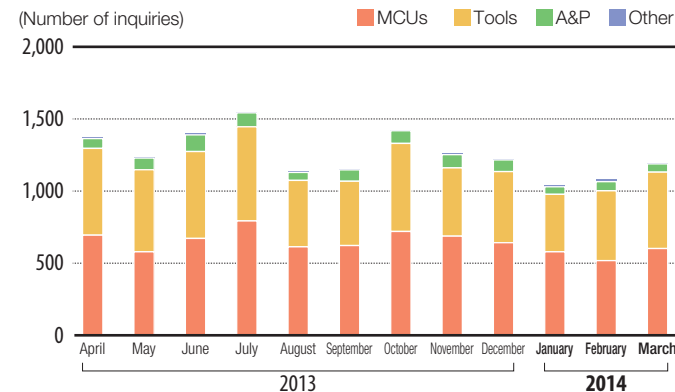
Contact Centers Established for Customers

To help customers use the Group's products safely, appropriately and effectively, we have established centers to provide technical support for users. These provide a variety of technical information on our products.

The centers received a total of about 15,500 customer inquiries in fiscal 2014. They are working to respond to such inquiries swiftly and accurately.

➔ [Support/Design \(Website\)](http://www.renesas.com/support/index.jsp)
www.renesas.com/support/index.jsp

Inquiry Breakdown



For Our Customers

Policy for Product Quality Improvement

The Renesas Electronics Group sets concrete quality objectives every fiscal year based on the Quality Policy top management has committed to. To achieve these objectives, we work for continuous improvement of overall quality in the development, design, manufacturing, and support processes. Individual divisions and offices set prioritized semiannual projects for quality improvement, and they formulate and implement action plans to accomplish these projects. Action plans go through an improvement cycle that checks their progress during each six-month period and revises them.

Quality Assurance Systems

The Renesas Electronics Group has quality assurance systems Group-wide, which we use from development and design to production and delivery. This way we are able to provide high-quality, reliable products and services for greater CS. We supply products to many companies involved with automobile production. In view of this, we use manufacturing tools that conform to automobile sector standards. Through such activities as these, we are continuing to improve the quality of our products and services so that we are always able to accommodate the specific requirements of our customers. Furthermore, As quality management systems, we have acquired ISO 9001 quality management system certification on a Group-wide basis. In the meantime, individual manufacturing sites and their support sites have acquired ISO/TS 16949 automotive quality management system certification.

Quality Control in Each Process

Renesas has built a comprehensive quality assurance system that covers every stage from development, design, mass production, and shipping through to actual use by the customer.

In addition, we advance semiconductor product safety as part of quality improvement, as we believe that quality includes product safety.

Quality Control in Development and Design Processes

Optimization and design review (DR) of device construction, circuit design, packages, and processes are important components of ensuring product specifications and building in quality. Every model we make only goes to mass production after we have checked the characteristics of its prototypes and verified its reliability.

Quality Control in Manufacturing Processes

We have a quality control program to build in quality during manufacturing processes. It uses an electronic data processing (EDP) system that ties quality information about our products' workmanship to information about equipment, tools, environment, and manufacturing conditions.

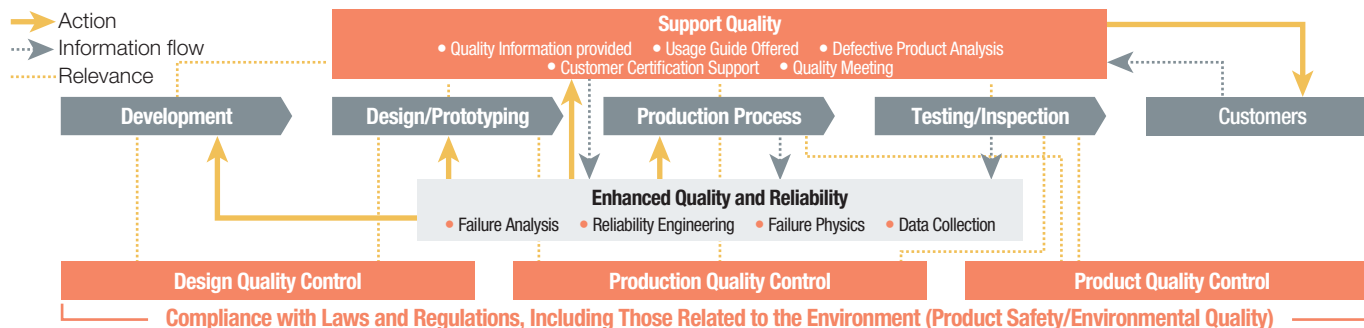
Product Quality Control

We sample finished products and test their reliability in-house to confirm that they have the prescribed functions and reliability. We also give customer support by providing claims processing, quality information, and other services.

Product Safety

To promote the safe use of its products by customers, the Group undertakes various activities, including the preparation of appropriate product specifications and the provision of documents with accurate technical information, as well as information pertaining to compliance with environmental laws and regulations.

Quality Assurance Systems

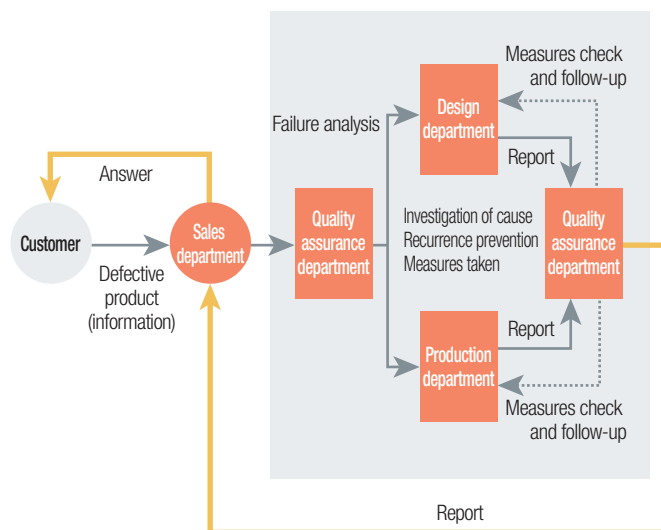


For Our Customers

Studying Defective Products and Taking Corrective Action

If a shipped product is found to be defective, the quality assurance department leads an effort to determine the cause and take corrective measures. The quality assurance department tracks defects found by customers and uses measuring and analysis instruments of various types to analyze the product failure. Design, production, and other concerned departments confer with each other and take the necessary corrective measures as based on study results, and those results are reported to the customer.

Defective Product Inquiry Flow



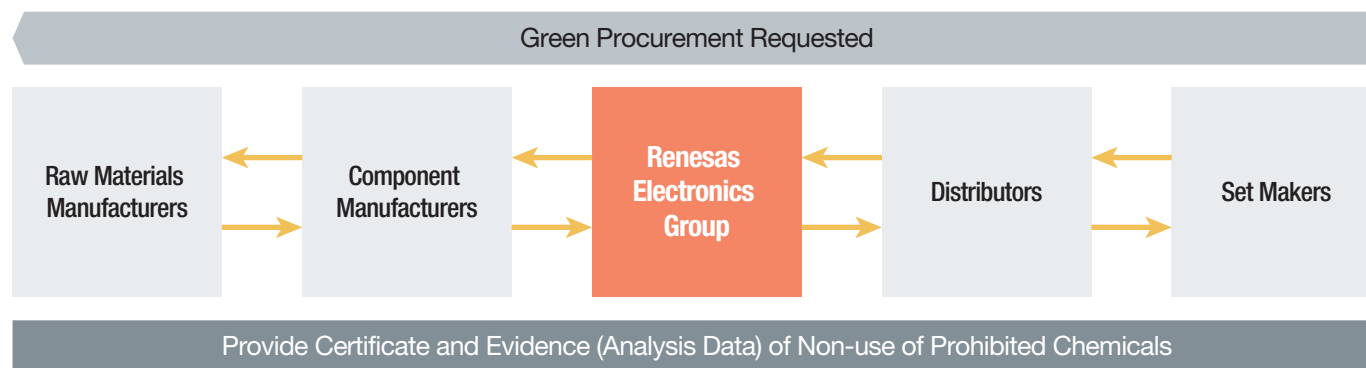
Product Environmental Quality

At Renesas Electronics Group, we believe that product chemical substance management in all processes, from material selection during design and development to preventing pollution during manufacturing process, requires working with the entire supply chain. Thus we have our suppliers certify that their products do not contain prohibited substances and provide analysis data. We also conduct supplier audits to confirm their management systems. We additionally ask our sales companies and agents to manage

chemical substance they use in their packing materials. We also provide information on the chemical substances and RoHS Directive*/prohibited substance analysis data to our customers so that they can use our products with confidence. Moreover, we allow customers to confirm the Group's management system for chemical substance and the actual activities.

*RoHS Directive: A European Union directive limiting the content of specified hazardous substances (lead, mercury, cadmium, hexavalent chromium and brominated flame retardants PBB and PBDE) in electric and electronic devices

Product Chemical Content Control throughout the Supply Chain



For Our Shareholders/Investors

Stance of the Renesas Electronics Group

The purpose of our IR is to ensure that shareholders and investors appropriately assess our corporate value. To that end, we provide them with the information they need to make investment decisions, and we do so in a timely, fair and ongoing manner. We moreover proactively enhance two-way communication with shareholders and investors.

Overview of IR Initiatives

Following our basic policy on IR initiatives, we seek to provide shareholders, investors, and securities analysts with information on our business, finances, strategies, and other important matters in readily understandable form. To do this, we work to increase opportunities for top management to speak directly to these parties, for example at our general meeting of shareholders, quarterly results briefing sessions, or business overview sessions. We also proactively hold meetings with institutional investors and securities analysts

as needed so they have an opportunity to better understand our business activities. We also aim constantly to provide important management information that is timely, fair, and easily understood, to as many parties as possible, whether they are individual or institutional investors, located in Japan or abroad. For that purpose, we are enhancing our disclosed materials and IR Web page. As for opinions and requests that shareholders, investors, and securities analysts have regarding our business activities, top management and other parties within Renesas Electronics share this information periodically and put it to use improving our business activities and maximizing our corporate value.

Communication Using Information Disclosure Tools

The Renesas Electronics Group uses a variety of tools to disclose information so that shareholders and investors will know us better. On our IR Web page in particular, we offer press releases, securities reports, and other publications of use to those making investment decisions. We are also working to enlarge the range of information available relating to financial results, such as settlement of accounts briefs and presentations (including their accompanying speeches), in addition to English-language materials. These efforts have gained positive attention. For example, Daiwa Investor Relations Co., Ltd. honored us with its award for Internet IR excellence in both 2012 and 2013.

Fiscal 2014 IR Calendar

	First quarter			Second quarter			Third quarter			Fourth quarter		
	April	May	June	July	August	September	October	November	December	January	February	March
Announcement of financial results		Fiscal year			First quarter		Second quarter				Third quarter	
Shareholders			Annual shareholders meeting								Extraordinary general meeting of shareholders	
Others			Business report		Management policy overview		Management policy overview	News to shareholders				



Shareholder news



Results briefing session

Working with Suppliers

Stance of the Renesas Electronics Group

Renesas Electronics provides suppliers with equal opportunities for competition, while engaging in fair, impartial and open business transactions. We have always given priority to “Green Procurement,” and developed CSR guiding principles for our supply chain by incorporating compliance, risk-management and human-rights-protection perspectives into its environmental approach. We conduct these activities in collaboration with all the partners involved in our supply chain.

Procurement Policies

1. Provision of opportunities for fair competition

We provide information on procurement in an appropriate and timely manner in order to offer opportunities for fair competition to all domestic and overseas companies who express an interest in working with us.

2. Fair evaluation and selection of suppliers

We employ a comprehensive supplier evaluation and selection process that considers: the reliability of the potential supplier’s management; the prices, quality, delivery timelines and advanced technical features of the products and services to be procured; and the supplier’s CSR policies.

3. Development of mutual trust

We value communication with our suppliers and always strive to form relationships of mutual trust that will grow stronger in the years to come.

4. Management and protection of information

We recognize the value of the information that we obtain through our procurement transactions, and we manage it appropriately.

CSR Procurement Initiatives

The Renesas Electronics Group has established several CSR initiatives we wish our suppliers to perform, including the practice of social responsibility as it relates to environmental protection, fair business and corporate ethics, quality and safety, information security, health and safety, and human rights and labor. We ask our suppliers to work with us to advance these purposes.

Moreover, to ensure that the activities we pursue are based on a shared perspective and promote understanding of our stance on CSR, we wrote a guidebook on promoting CSR and distributed it in our supply chain.

➤ Promotion of CSR Procurement (Website)
www.renesas.com/comp/procurement/csr/index.jsp

Promoting Green Procurement

Renesas Electronics is promoting green procurement. Specifically, the Company prioritizes the procurement of eco-friendly raw materials and other materials free of hazardous substances from suppliers who are proactively promoting environmental protection. Requirements for suppliers have been compiled as Green Procurement Guidelines. These guidelines are disclosed to all suppliers. In addition, Renesas Electronics conducts periodic investigations on the

environmental measures implemented by suppliers.

Furthermore, the Company performs examinations of suppliers’ products to confirm that these products comply with the European Union’s RoHS Directive* and other environmental laws and regulations. These examinations are promoted based on the understanding and cooperation of our suppliers.

We also practice green purchasing of goods such as office supplies and IT equipment. When we select such goods, we give preference to eco-friendly products based on the environmental burden data for each item. Our current green purchasing rate is about 80%.

*RoHS Directive: A European Union directive limiting the content of specified hazardous substances (lead, mercury, cadmium, hexavalent chromium and brominated flame retardants PBB and PBDE) in electric and electronic devices

Working with Suppliers

Initiatives Against the Conflict Minerals Problem

In the Democratic Republic of the Congo and some of its neighboring countries in Africa, some minerals have become problematic, as they are a revenue source for armed groups and may lead to violations of human rights and the prolonging of conflicts. The US's Dodd-Frank Wall Street Reform and Consumer Protection Act requires companies listed in the US to disclose information about their usage of conflict minerals (gold, tantalum, tungsten, tin, etc.).

In accordance with this act, the Renesas Electronics Group is working to eliminate conflict minerals from our supply chain as far as possible.

To ensure follow-through on this initiative, we take a survey of our suppliers, asking them to identify the refineries they use. Results of the survey are being disclosed to our customers as we strive to procure minerals responsibly through our supply chain.

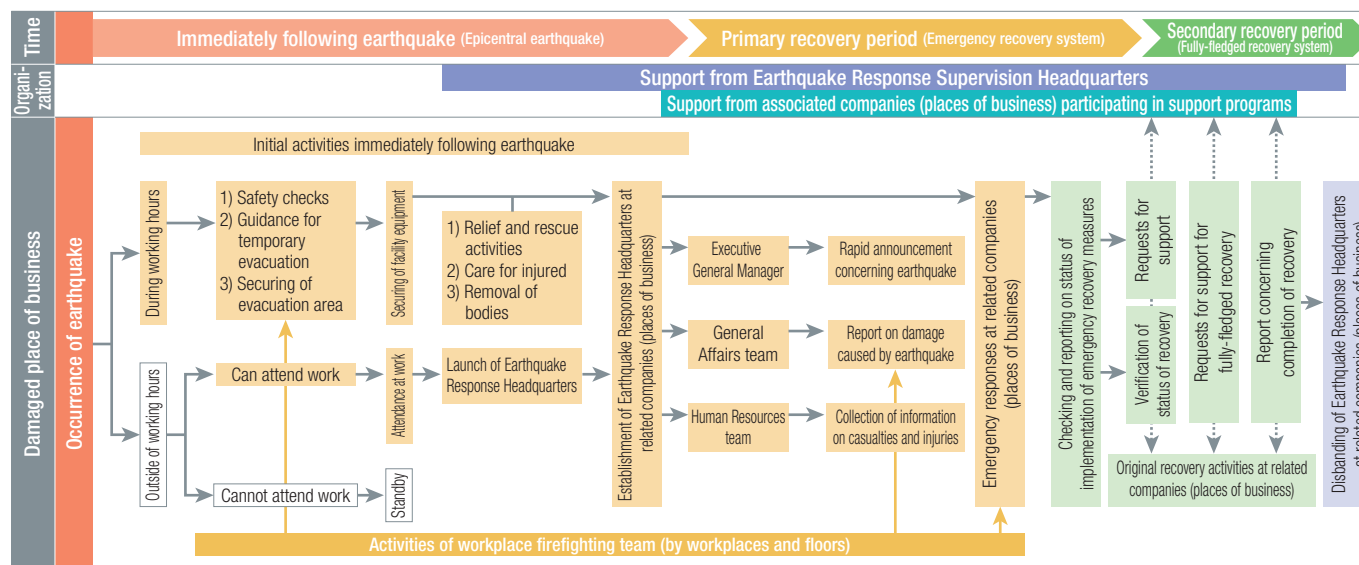
BCP Initiatives with Suppliers

Renesas Electronics requests that its suppliers notify it immediately in the event that they are affected by natural disasters or major accidents. The Company has a system in place to ensure that, in such an event, information from suppliers reaches all concerned employees, both in Japan and overseas, regardless of when the event occurs. Based on this system, the employees in question take appropriate measures in a swift manner.

Communication with Suppliers

Smooth communication with suppliers is essential for Renesas Electronics Group business activities. Suppliers keep us informed about trends in the electronics industry and their own industries and provide valuable suggestions to the Group for the development of society.

Flow of Recovery Activities Following an Earthquake



Working with Sales Partners

Stance of the Renesas Electronics Group

In order to provide more exacting service to our customers in regions throughout Japan and around the globe, the Renesas Electronics Group believes it necessary not only to sell directly through our sales companies, but to market in collaboration with our sales partners—authorized distributors, agents, and overseas distributors. Therefore we are working actively to strengthen these partnerships.

Collaborating with Sales Partners

Japan

In Japan, Renesas Electronics holds meetings with executives of distributors at least twice a year. At these meetings, we share the Group's policies and the policies of each business unit, while exchanging opinions and information. Furthermore, the Group holds working-level meetings with distributors' staff members once a month to provide information regarding future product lineups and technologies. In this way, we continue to strengthen mutual understanding.

Overseas

Outside Japan, Renesas Electronics holds "Distributor Meetings" at least once a year and management-level quarterly review meetings with distributors in order to confirm local sales policies and business continuity plans (BCPs), and solve region-specific problems in an effective manner.

Voice Comment from Sales Partners

The Ryoyo Electro Group is a solutions partner seeking to inspire a fully-connected smart society. We operate a high value-added business based on a fusion of our core areas of semiconductors and ICT.

Renesas Electronics Corporation has always provided us with generous support in responding to our customers' needs, and we have developed a strong relationship with the company.

We hope to realize sustainable growth together with Renesas Electronics into the future.

Kazuhiko Yokoyama

Senior Executive General Manager, Domestic Semiconductor Business Promotion Div.,
Ryoyo Electro Corporation

Based on our three management principles of "Global," "Technology," and "Manufacturing," Satori Electric Co., Ltd. provides solutions that bring together society, companies and people using the technological assets that we have developed within the evolving information network society through a fusion of marketing power, technological power, and manufacturing power. Renesas Electronics Corporation is a partner of the greatest importance to our growth strategy. Renesas increases value for its customers through its cooperation and its proposal of solutions, and contributes to society through sound business practices with a thorough focus on compliance.

Noboru Tanaka

Senior Manager, Electronic Device Operations Management Dept.,
Satori Electric Co., Ltd.

Working with Employees

Stance of the Renesas Electronics Group

Our Company aims to be a positive place for our employees to work. With proper communication and mutual trust, we are building a workplace where each person can work to his or her full capacity.

Human Resources Development and Education Programs

For Renesas to achieve sustainable growth and contribute to society in a global market, all of its employees must grow and be active. Our human resources development system aims to realize the “required human resources.” This image is our vision of the talents, skills and actions required so that our employees can think and act for themselves and our personnel have the capacity to act and succeed on the world stage. The following graphic lays out the specific characteristics we are trying to develop.

Required Human Resources



1. Fostering Human Resources able to Flourish as Leaders on the Global Stage

Human resources who act as leaders have a great influence on organizations and affect the outcomes of those organizations. The continuous fostering of these human resources is an important initiative from the perspective of a company’s growth, sustainability, and stability.

By implementing the twin streams of 1) Succession plans (plans for successive personnel to fill a post) and 2) A system for the cultivation of leaders (plans for the fostering of human resources), we attempt to stably provide successors for each post in our company.

2. Creating Mechanisms to Invigorate OJT

We have reaffirmed our belief that on-the-job training (OJT) is the basis of the fostering of human resources. In our system of target management and evaluation of the behavior of our managers, we have made the fostering of subordinate staff members an item for evaluation. Through this linkage with evaluation, we have increased awareness regarding the fostering of subordinate employees, and by emphasizing the importance of OJT and thoroughly reacquainting ourselves with OJT methodology, we are producing more effective outcomes.

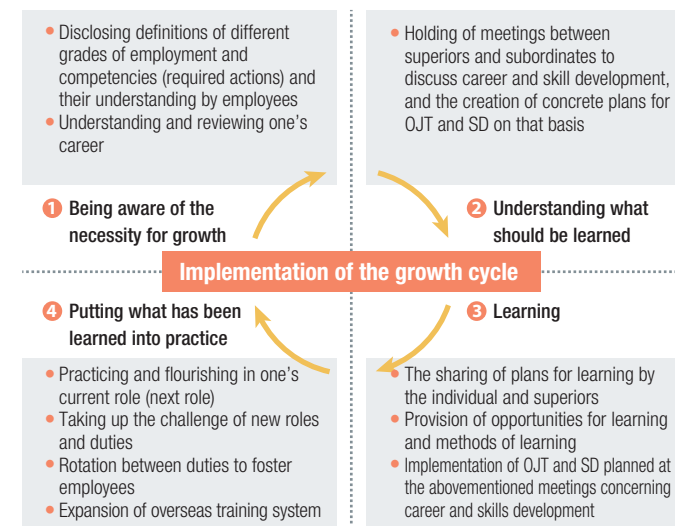
3. Creating Mechanisms for Voluntary Learning by Employees

In order to promote voluntary learning, we believe that it is necessary to implement the “growth cycle”*: 1) Be aware of the necessity for growth; 2) Understand what should

be learned; 3) Learn; and 4) Put what has been learned into practice.

Hard aspects (our personnel system and its operation) and soft aspects (communication in the workplace) are involved in each phase of this growth cycle.

Growth cycle*



*OJT: On-the-job training
*SD: Self-development

How to Use/Contents/ Editorial Policies	Corporate Outline	Top Message	CSR in the Renesas Electronics Group	Special Feature	Social Responsibility	Environmental Report	CSR Management
		Customers	Shareholders/ Investors	Suppliers	Sales Partners	Employees	Local Communities

Working with Employees

4. Creating Mechanisms to Realize Job Rotation that Aids in Career Development

By providing opportunities for employees to share their desire for career and skill development with superiors in career consultations, and encouraging superiors to consider the allocation of human resources based on their subordinates' career desires and skills, we are attempting to activate a job rotation system that is more closely linked to career development than was previously the case. We are also considering a limited use of open recruitment for personnel transfer.

5. Educating New Employees and Invigorating Young Workers

We have defined the first two years after an employee joins the company as an important period for education. By means of 1) Introductory training, factory visits and sales

training, 2) A man-to-man training system under which young employees are responsible for providing guidance to new employees, 3) Review training of the first year, and 4) Meeting to report on outcomes in the second year, we inculcate the mindset appropriate for a member of society and an employee of our company, provide training in the basic skills and techniques necessary for the specific job, and cultivate the ability to switch between roles. By this means we create the foundations for human resources who will thrive in our company.

For young employees, we offer opportunities to increase a variety of business skills, and we are introducing measures to boost motivation based on their needs, as determined using methods such as questionnaires.

In addition, we are also working to expand our system of training in overseas duties, seeking to offer more young employees the experience of overseas work.

Promoting Diversity in Human Resources

The Renesas Electronics Group is strengthening initiatives to promote human resource diversity. At Renesas, we respect differences. We aim to actively use differences to respond most effectively to the changing business environment and diversifying customer needs and thereby establish an advantage.

It is, without question, important to recruit people so that they can—regardless of nationality, gender or physical constitution—apply their individual abilities and contribute to society. This is a prerequisite for every company. Furthering this idea, the Group continues to create more employee-friendly, more pleasant workplaces by placing particular focus on human resource diversity. For example, we are promoting the hiring of more female employees and people with disabilities.

Image of skill development system

	Shared items						Items by vocational ability								
Department head class		Assessment by rank	Training to cultivate managerial staff	Management of technology	Recommendation of courses by rank	Improvement of various business skills / language skills (Correspondence course; subsidized)	In-house TOEIC test / Self-study in English	Planning and implementation of various lecture meetings	WG for enhancement of technological capacity	WG for enhancement of sales ability	WG for the enhancement of technical skills				
Section head class	Training for a new position											Planning and promotion of various measures, centering on technical lectures, aiming towards the strengthening of technological competitiveness	Planning and promotion of various measures, centering on a variety of training initiatives, aiming towards the enhancement of sales and marketing ability	Planning and promotion of various measures, centering on a skill evaluation system and a variety of training initiatives, aiming towards the enhancement of technical skills	
Regular employees	Increasing motivation								Cultivation of leaders						
New employees									Training in making presentations	Training to increase ability to implement tasks	Training in overseas duties				
Report on training outcomes for second year / Review training of the first year / Priority training system / Introductory training															

Working with Employees

Respecting Human Rights

Both the Renesas Electronics Group CSR Charter and the Renesas Electronics Group Code of Conduct clearly state that the Renesas Electronics Group will respect human rights in hiring, human resources development, employee treatment and all other aspects of employment, while eliminating any discrimination based on race, belief, gender, age, social position, family origin, nationality, ethnicity, religion, or physical and mental disability, to ensure that all of its employees are treated equally. Also, the charter and the code of conduct clearly prohibit sexual harassment, as well as forced labor and child labor. Since March 2008, we have also endorsed and participated the United Nations Global Compact for business operation with a strong sense of ethics in accordance with international guidelines. As we promote global operations, we ensure that all of our Group companies are familiar with these principles. In line with the principles, each Renesas Electronics Group company must not only comply with relevant laws and regulations, but also implement educational and awareness-raising programs on human rights and other related subjects.

Specifically, we raise employee awareness of human rights during new-employee and position-specific training and e-training programs for all employees, as well as various events during Human Rights Week every year. We put up posters in places visible to employees and use our intranet to inform them about our in-house service for consulting on issues of sexual harassment, harassment of subordinates by superiors, equal opportunity for men and women, and other issues. In these ways, we are endeavoring to facilitate consultation and enable appropriate responses to employee concerns.

Balancing Work and Private Life

With the aim of supporting employees in balancing their work and private lives while realizing their full abilities at work, Renesas Electronics carries out various support measures. These measures are implemented in the form of flexible work conditions and leave systems. We are also encouraging our employees to have some variety in their lives. For example, individual factories and offices establish days when everyone leaves at the set time.

People Using the Childcare Leave Program (data over time)

		Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014
Number of people using childcare leave	Men	2	3	1	0
	Women	147	154	121	70
	Total	149	157	122	70

*The number dropped in fiscal 2014 because of such factors as use of our early retirement program.

Communicating with Labor Unions

Renesas Electronics holds labor-management meetings twice a year with the Renesas Electronics Labor Union, to which its employees belong, to exchange frank opinions on management policies and business conditions. In addition, committees consisting of employee and management representatives are promoting activities aimed at preventing long working hours, improving working conditions and supporting the development of employees who will play an important role in achieving the future growth of the Company. In this way, Renesas Electronics is helping to build stable labor-management relations.

Similar efforts are being made with labor unions at Group companies in Japan. Overseas, our Group companies exchange opinions with workers' unions or employee representatives based on laws and regulations in their respective countries.

Working with Employees

Occupational Health and Safety/ Mental Health Management

Basic Policy

In line with the basic policy, “Renesas Electronics shall protect the safety and health of its employees and work to realize employee-friendly, safe workplace environments,” the Company is implementing various measures.

Occupational Health and Safety

Group-Wide Initiatives

The Renesas Electronics Group is promoting various activities aimed at ensuring disaster prevention, occupational health and safety. More specifically, a Company-wide Safety and Health Conference—consisting of occupational health and safety officers at individual business sites and Group companies—has formulated the Renesas Electronics Group Disaster Prevention and Occupational Health and Safety Management Policy. Based on this policy, the occupational health and safety officers organize related activities. Meanwhile, the Company is promoting the sharing of information related to occupational health and safety within the Group. Such information is utilized to prevent disasters and reinforce the Group’s occupational health and safety activities.

Specific Activities

Occupational safety activities: Through risk assessment processes, disaster risks are identified, and possible countermeasures are prepared. These processes are helping us prevent disasters and accidents. Group factories with production lines have already received Occupation Safety and Health Management System certification. We have designated March 11 of each year as “Trust and Peace of Mind Day” in the Group. We conduct disaster preparedness inspections on workplaces and employee homes, all on this one day.

Occupational health activities: In collaboration with occupational health staff, we are strengthening activities primarily aimed at maintaining and improving health, fostering mental health and safeguarding against overwork.

Mental Health Management

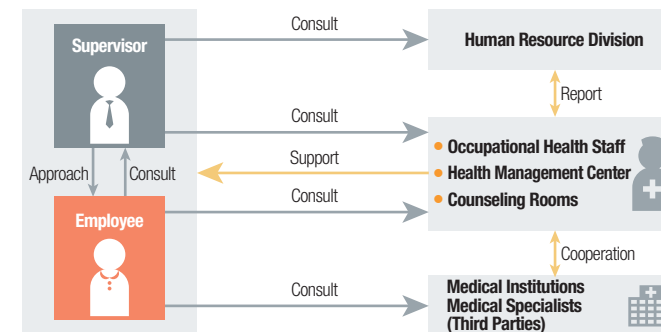
The Renesas Electronics Group considers measures to promote mental health as a paramount management issue and is consequently promoting various activities in this regard. Specifically,

- 1) Industrial physicians give consultations and advice to employees working long hours.
- 2) A contact point has been established so that any employee can obtain diagnosis and counseling from industrial physicians, occupational health nurses, and contracted counselors.

- 3) The Company provides support to employees who have taken leave to enable them to return to work by standardizing procedures that last from the start to end of leave.

The Company periodically offers mental health education programs to managerial employees as part of efforts to establish a mental health management structure based on lines of command. At the same time, we encourage the use of a simplified stress check system. Also, the Company includes subjects related to mental health in various training programs. Through these initiatives, Renesas Electronics is endeavoring to remain a company where all employees can better maintain their health and work with vigor and enthusiasm.

Mental Health Consultation Mechanism



Working with the Local Community

Stance of the Renesas Electronics Group

The Renesas Electronics Group aims to help build a rich society on a global scale through our business, and we have taken a variety of opportunities to implement social contribution activities. Thinking of ourselves as a member of society, we proactively engage in social contribution activities so that, as a corporate citizen, we can fulfill our responsibility to the community and society.

Basic Policies for Social Contribution Activities

The Renesas Electronics Group's Basic Policies for Social Contribution Activities are as follows.

1. As a good corporate citizen, the Renesas Electronics Group will work to preserve the global environment, which is closely related to the sustainability of the semiconductor industry, and make meaningful contributions to society.
2. As it pursues business on a global scale, the Renesas Electronics Group will promote social contribution activities that help to improve its corporate image.
3. The Renesas Electronics Group will implement social contribution activities through cooperation with its stakeholders in order to enhance its brand value.

Financial Support for Social Contribution Activities during the Fiscal Year

The Renesas Electronics Group has endorsed the objectives of the 1% Club, established in November 1990 by KEIDANREN (the Japan Business Federation). Endorsing businesses voluntarily contribute at least 1% of their recurring profits to social contribution activities. As one of these businesses, we have been proactively pursuing social contribution activities in a number of fields.

Activities in Japan

Support for the Education of Coming Generations (Working with the Micom Car Rally)

The Renesas Electronics Group continues to foster a new generation of engineers through the teaching of craftsmanship. Among our initiatives, we have supported the Japan Micom Car Rally (JMCR) for senior high school students for 19 years. At Micom Car Rallies, senior high school students build and race microcontroller-controlled robotic cars, in the process gaining knowledge and experience with mechatronics technology. In the contest last fiscal year, 2,300 cars from technical high schools around Japan entered regional preliminary contests, seeking to be No. 1 in Japan.



➔ Official Micom Car Rally Website
www.mcr.gr.jp/ (Japanese language only)

➔ YouTube:RenesasMCR1
www.youtube.com/user/RenesasMCR1

Holding Classes for Elementary and Junior High School Students to Experience Microcontroller Car

In July 2013, Renesas Electronics, together with Group companies and cooperating companies, developed a "Micon Racer" that makes it easy to learn measurement and control programming using Renesas microcontrollers. In fiscal 2014, we used the Micon Racer in holding classes for elementary and junior high school students in 48 schools throughout the country.

In October 2013, we held a manufacturing workshop dealing with subjects including programming at Aizu Industrial High School in Fukushima Prefecture. Nineteen elementary school students and one junior high school student participated. The participants found the operations simple and enjoyable, and were keen to take part in another class in future. The parents in attendance felt that the children had been very interested, and might be drawn to jobs in the field.



Working with the Local Community

■■■ Fostering New Generations through Sports ■■■

Softball

- In June 2013, sixth-year students of Kyogashima Elementary School, which is located near our Takasaki Site, visited our facility as part of a class, and conducted an exchange with our women's softball team. The students watched the players training from behind the backstop, asking numerous questions (for example "How much do you train every day?"), to which the players happily responded.



- In September 2013, members of our softball team acted as instructors in a softball clinic for almost 200 elementary and junior high school students in Yatsushiro, Kumamoto Prefecture. The atmosphere was friendly and relaxed as the clinic commenced, with the students warming up with team members. The clinic was of great benefit to participants, with catchers Mine and Azuma offering detailed instruction in matters including the catching stance. Our softball team participates in numerous clinics throughout Japan, deepening exchange with elementary and junior high school students around the country.



Badminton

In July 2013, we held an exchange for members of the badminton team, other employees, and their families and friends at our Kawajiri Factory in Kumamoto Prefecture. About 130 people, from children to adult volunteers with a knowledge of badminton, participated in the event. Participants enjoyed a vigorous training program and watched dummy matches from the edges of the courts. They had the chance to hold an Olympic silver medal, but the most exciting aspect of the day were the matches between the badminton team and visitors. The visitors earnestly took advice from team members and posed together with them for commemorative photographs afterwards. The day offered the opportunity for an exchange in which participants were able to experience first-hand the dedication of the badminton team to daily training and its skill in the game.



■■■ Electric Power Award (Yonezawa Factory) ■■■

At the Fiscal Year 2013 Tohoku Region Energy Conservation Month Awards Ceremony, held in Sendai City in February 2014, the Yonezawa Factory of Renesas Northern Japan Semiconductor, Co., Ltd. (currently operating as the Yonezawa Factory of Renesas Semiconductor Package & Test Solutions Co., Ltd.) received the Chairman's Award from

the Tohoku Seven-Prefecture Electric Power Use Promotion Committee in recognition as a factory with superior energy management. The Yonezawa Factory declared a target for reduction of its energy consumption rate as a measure to prevent global warming, and it has promoted continuing energy conservation activities of various kinds to achieve its target. This award was given in recognition of the measures taken by the factory.



■■■ Renesas Forest Land 2013 (Kochi Factory) ■■■

The Kochi Factory hosted Renesas Forest Land 2013 in October 2013. The event is held every year under the "Cooperative Forest Building Project" partnership with Kochi Prefecture and Kami City, and this was the event's seventh year. Including our employees and people concerned from Kochi Prefecture, 38 people took part on the day of the event. Participants experienced tree thinning in the forest and had the opportunity to deepen their exchange with local residents and forestry cooperative members. At the closing ceremony, the factory's contribution to cooperative forest building was recognized and it was presented with a Fiscal Year 2012 CO₂ Offset Certificate from the Kochi Prefecture government.



Working with the Local Community

Factory Tours (Takasaki Site)

The Takasaki Site holds site tours several times a year for local residents as well as for students of elementary schools and junior and senior high schools and others. In June 2013, the factory invited 10 heads of district residents' associations from the surrounding area to an observation tour. Guests were given an overview of the site and an introduction to the site's environmental activities, its wastewater treatment facility, and so on. One typical response from the invitees who attended the tour was, "I'm relieved. It was good to hear your explanations of these matters." We hold observation tours every year for the heads of district residents' associations, and the Takasaki Site will continue with a variety of measures that have harmonious coexistence with local communities in mind. This includes not only these observation tours, but also traffic safety guidance and clean-up activities in areas around our business sites.



Selected as Japan's First Model Corporation for Safe Bicycle Use (Musashi Site)

The Musashi Site was selected as Japan's first Model Corporation for Safe Bicycle Use and was presented with a certificate by the Deputy Superintendent General of the

Metropolitan Police Department in May 2013. The purpose of this designation is to use the power of the corporation to contribute to the reduction of bicycle accidents, and 17 companies in Metropolitan Tokyo were selected to receive it. The Musashi Site will cooperate with Kodaira Police Station and nearby high schools to provide guidance to bicyclists on the street and to pursue other contributions to local communities by actively promoting safe bicycle use.



Water Splashing Campaign 2013 (Headquarters)

The 2013 Nippon Building campaign to cool the city by splashing water on the pavement (uchimizu) held regularly at the Nippon Building where the Headquarters located took place in August 2013. Organized by the Chubu Sewerage Office of the Tokyo Metropolitan Government Bureau of Sewerage, the campaign is part of measures to counter the heat island effect. There were 114 employees from the Renesas Electronics



group splashing water in the area around the Nippon Building using buckets and dippers. As a result, the ground level temperature went from 35.3°C at the start to 33.8°C after just 10 minutes, giving a vivid sensation of the effectiveness of water splashing.

Volunteer Clean Up (Tsuruoka Factory)

Volunteers from the Tsuruoka Factory have been carrying on a monthly clean-up of commuter streets in the area of the factory from April to November, excluding the winter season. The volunteers have been doing this during the commuting hours before their work as a clean-up activity that contributes to the local community as well as to beautify the commuting routes they themselves use every day and to raise people's awareness of proper behavior.

Their main activity in November 2013 was to gather fallen leaves in the area around the factory grounds, on sidewalks, and around the bases of roadside trees. There were 54 participants and they gathered 42 household trash bags of fallen leaves and other such debris, amounting to about 80 kg of trash.



Working with the Local Community

Activities Overseas

Participating in International Coastal Cleaning Campaign (Singapore)

There is an international campaign to gather trash on the coast, photograph it, and use it to raise awareness of this issue, and Renesas Electronics Singapore Pte. Ltd. has been participating in the campaign since 2010, with 136 members taking part in the four years up to 2013. They collected and removed 463 kg of trash from a 200 m section of Singapore's seashore. The data gathered in this campaign is expected to be used for simplification of packaging with a view to improving Singapore's environmental policy and reducing waste.



“Renesas Cup” Design Contest for University Students (China)

The “Renesas Cup” 2013 National Undergraduate Electronic Design Contest organized by China's Ministry of Education and Ministry of Industry and Information Technology was held in September 2013 under the sole sponsorship of Renesas Electronics (China) Co., Ltd. This is the largest semiconductor design contest in China, with 33,000 or more university students competing, and we have been its sole sponsors since 2009, in the days of the former NEC Electronics. Renesas Electronics (China) is committed to continuing its contributions to the development of human resources for the electronic information field in China by means of this contest as well as providing lectures on microcontrollers in Chinese universities, and other such means.



Attracting Young People to Engineering (Germany)

In April 2014 Renesas Electronics Europe GmbH (REE) joined a programme for school pupils organized by the city of Dusseldorf, Germany, focussing on the transition from school to university. A group of young, technology oriented pupils visited REE Headquarters and took part in a day-long event to get an introduction into the production and programming of microcontrollers. This insight into the real working world of technology supported their goal to study Engineering or Computer Science after school. The exciting event was crowned with success by lasering their names on drinking bottles, smartphones and rings in a laboratory.



Environmental Report

Number of Proposals for Improvements Resulting from Mutual Audits within the Group in Fiscal 2014

231

Rate of Participation in Online Environmental Basic Course

95.8%

C O N T E N T S

- Environmental Measures
- Eco-Management Initiative
- Eco-Factories Initiative
- Eco-Products Initiative
- Eco-Communication Initiative

Renesas Electronics Group Environmental Measures

Stance of the Renesas Electronics Group

Businesses in recent years have begun to take environmental initiatives with a wide range of approaches. Aside from combating pollution, enterprises today are working to reduce greenhouse gases, lower emissions, regulate chemical content in products, and more. The Renesas Electronics Group works to reduce environmental burdens as guided by the cooperative targets of industry groups. We develop and offer products that save energy and lower environmental burden by increasing environmental performance. The yearly policies and targets of such environmental activities are deliberated by the Environmental Promotion Meeting chaired by the board member in charge of environmental issues.

Environmental Policy

We will contribute to the harmonization of society and the environment in the course of our business activities.

Action Guidelines

1. We will incorporate environmental considerations into all stages of the product life cycle, including research & development, design, procurement, production, sale, logistics, use and disposal.
2. We will strive to prevent pollution as well as to minimize the impact of our products on the environment. When environmental problems arise, we will take appropriate steps to minimize the environmental impact and disclose accurate information.
3. Our environmental management efforts will involve compliance with all environmental laws, regulations and agreements, and we will promote compliance activities.
4. We will disclose environmental information to stakeholders and encourage communication with society for the purpose of promoting mutual understanding.
5. We will educate all employees in environmental conservation to create a company culture that promotes harmony between the environment and business activities.

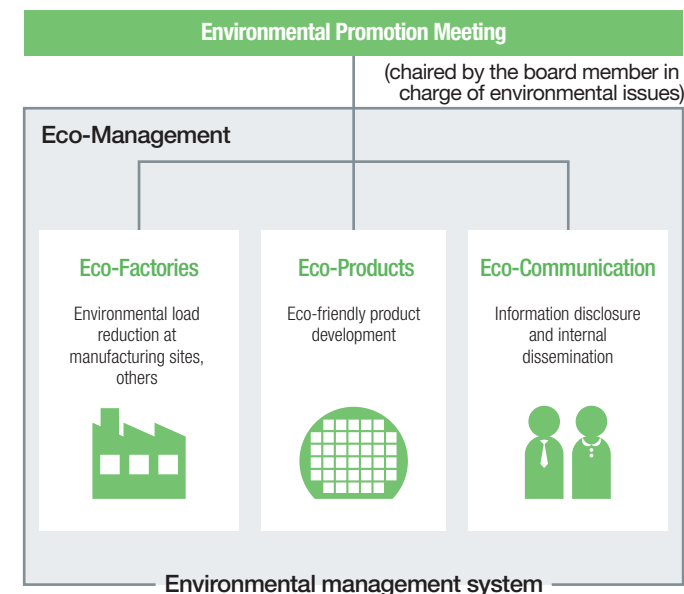
Three Environmental Cornerstones of Renesas Electronics

Some of the key issues in our environmental measures are 1) legal compliance, 2) reduction of environmental burden, 3) the development of eco-friendly products and 4) maintaining good relations with stakeholders.

We are tackling these issues through environmental management, in which all employees participate. Such management is based on a so-called Eco-Management system built on the cornerstones of the Eco-Factories, Eco-Products and Eco-Communication initiatives.

- **Eco-Factories Initiative:** Aimed at reducing the environmental impact of manufacturing sites through the reduction of greenhouse gasses (GHG) and the appropriate management of chemical substances in manufacturing processes
- **Eco-Products Initiative:** Aimed at supplying eco-friendly semiconductors produced with environmental considerations in mind throughout their lifecycles, including the control of chemical substances contained in products and the development of products with excellent energy-saving performance
- **Eco-Communication Initiative:** Aimed at strengthening employee awareness through environmental education and disseminating the Group's environmental information to society

Three Environmental Cornerstones of Renesas Electronics



Renesas Electronics Group Environmental Measures

Fiscal 2014 Initiative Results and Fiscal 2015 Targets

Item	Fiscal 2014 Plan	Fiscal 2014 Results	Evaluation	Fiscal 2015 Plan
Eco-Management	<ul style="list-style-type: none"> Promote integration of ISO 14001 certification of manufacturing sites 	<ul style="list-style-type: none"> Finished integrating at four planned sites 	◎	<ul style="list-style-type: none"> Reorganize certification and EMS units
Eco-Factories	<ul style="list-style-type: none"> Comply with action plan of four electric and electronics groups for post-Kyoto Protocol era. 	<ul style="list-style-type: none"> Reduced 14% from benchmark year (energy consumption per unit sales) 	◎	<ul style="list-style-type: none"> Reduce 2% or more from benchmark year (energy consumption per unit sales)
	<ul style="list-style-type: none"> Reduce PFC*1 emissions 	<ul style="list-style-type: none"> Reduced PFC emissions 7% from previous year's results (per unit wafer area) 	◎	<ul style="list-style-type: none"> Reduce PFC emissions (per unit wafer area)
Eco-Products	<ul style="list-style-type: none"> Deal with substances subject to legal and voluntary regulations 	<ul style="list-style-type: none"> Dealt with substances subject to Japanese and foreign regulations and voluntary regulations 	◎	<ul style="list-style-type: none"> Deal properly with foreign and Japanese regulations
Eco-Communication	<ul style="list-style-type: none"> Issue environmental report 	<ul style="list-style-type: none"> Published CSR report and enhanced Web content 	◎	<ul style="list-style-type: none"> Publish CSR report and enhance Web content
	<ul style="list-style-type: none"> Enhance environmental education materials 	<ul style="list-style-type: none"> Enhanced position-specific training materials 	◎	<ul style="list-style-type: none"> Revise training materials and conduct training
	<ul style="list-style-type: none"> Continue environmental and social contribution activities 	<ul style="list-style-type: none"> Activity implemented (Please refer to pages 23 to 26.) 	◎	<ul style="list-style-type: none"> Continue environmental and social contribution activities

*1 PFC: Perfluorocompound (The semiconductor industry has specified CHF₃, CF₄, C₂F₆, C₃F₈, C₄F₈, SF₆ and NF₃ for emissions reduction.)

Message from Board Member in Charge of Environmental Issues

Contributing to Stakeholders through Eco-Friendly Products and Manufacturing

Renesas semiconductor products are used in a wide range of transportation and industrial equipment, electrical products, and more to enable the electronic devices that make our lives so convenient to run on less power. These semiconductor products not only help products themselves to save energy, but also enable very precise energy control. We are dedicated to helping enhance the energy performance of our customers' products and considering the global environmental impact at all stages from design to disposal so that customers can use our products with confidence.

The semiconductor industry is concerned that the large volume of energy used in our manufacturing activities may increase environmental burden. This is because we use clean rooms, which eliminate as much dust as possible, and high-precision, high-tech equipment to make our semiconductors smaller and enhance product performance. To that end, we implement energy-saving devices and optimize systems at Group factories as we pursue thorough energy efficiency. We also establish voluntary factory emissions standards that are more stringent than required by law to assure the maintenance of a comfortable environment for our communities and the practice of thorough control.

Through these environmental initiatives, the Renesas Electronics Group will continue to provide our customers with products of the highest possible quality and performance and lowest possible energy consumption and environmental burden. All products will be manufactured by factories practicing the highest standards of clean and efficient manufacturing.



Osamu Nogimura
Senior vice president for
Environment issue

Eco-Management Initiative

The Group's Business Activities and Environmental Footprint

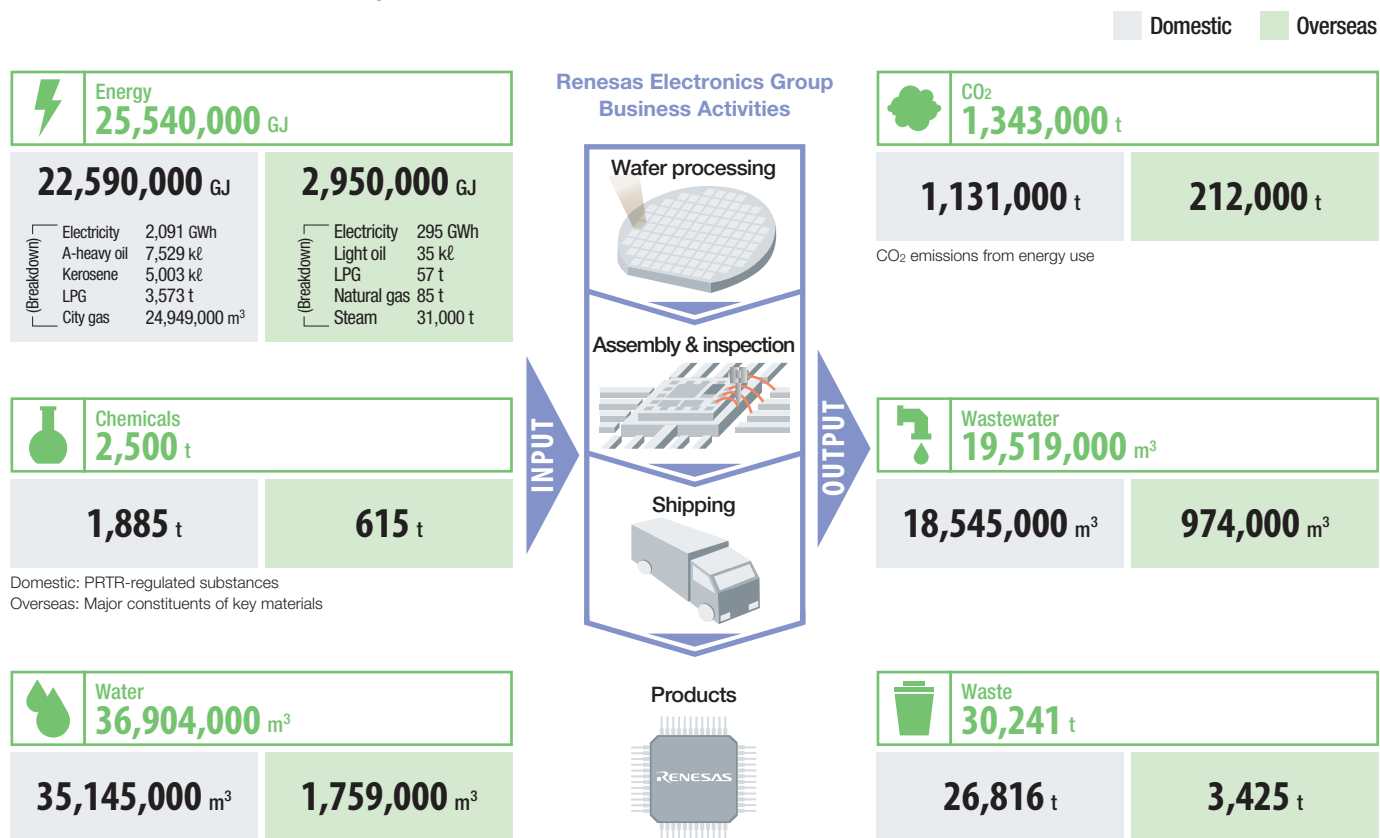
The semiconductor products and solutions offered by the Renesas Electronics Group help our customers to make their own products and systems smaller and more energy efficient. This boosts protection of the global environment by helping to prevent global warming and use resources effectively.

On the other hand, production activities inevitably place a large burden on the environment. They consume energy (electric power and fuel) and resources (chemicals, water, etc.) while producing waste in solid, liquid, and gas form.

We are working to reduce our burden on the environment by closely monitoring the input volume and output volume of our production activities and reducing them systematically.

Through these activities, the Renesas Electronics Group is committed to using limited resources and energy in an effective manner and to offering eco-friendly products that are manufactured efficiently.

Overview of Environmental Footprint



Eco-Management Initiative

Internal Audits of Environmental Law Compliance Systems and Environmental Management Systems

The Renesas Electronics Group's Basic Rules of Management sets out our Environmental Policy and Basic Rules of Environmental Management. Following these guidelines, our bases, including affiliated companies, each establish an environmental management system and conduct environmental initiatives. Each year, we conduct mutual audits within the Group to check that our environmental management systems and performance are continually improving. In fiscal 2014, we performed mutual audits at 17 sites. The 231 suggestions yielded by this process, including 92 requested improvements, are leading to better outcomes overall. To meet our aim of conducting highly reliable audits, the Group has CEAR*1-certified auditors with environmental management system auditor qualifications to perform mutual audits. Again in fiscal 2014, none of the Group's business sites or Group companies had to pay penalties or fines for incidents impacting the environment. There were also no environment-related lawsuits against the site or companies.

*1 CEAR: Center of Environmental Auditors Registration



A site audit



Opening event

ISO 14001 Certification

All of the Group's domestic sites and all of its overseas manufacturing sites and major sales sites have acquired certification under ISO 14001, the international standard for environmental management systems. The Group will continue the process of acquiring and sustaining ISO 14001 certification as efficiently and effectively as possible.

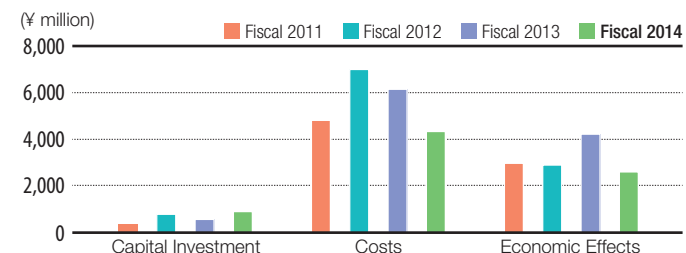
Environmental Accounting

Major investments in fiscal 2014 were in measures to meet the amended Water Pollution Control Law. We also took such energy conservation measures as making our heat

exhaust recovery systems, air-conditioning systems, and freezers more efficient and installing LED lighting.

Of the costs, air pollution prevention totaled ¥887 million, water pollution prevention ¥1,319 million, and waste processing ¥129 million. The economic effects included ¥697 million in proceeds from sales of recyclables. These figures do not include economic effects calculated based on estimates.

Environmental Accounting Trends



Fiscal 2014 results

Category/Subcategory	Description	Environmental Conservation Costs		Effects		
		Capital Investment (¥ million)	Cost (¥ million)	Economic Effects (¥ million)	Environmental Impact Reduction	
Within	Pollution Prevention	348	2,368	31	Energy use reduction 303.3 GWh	
Business	Energy Conservation/Global Environmental Conservation	385	691	1,506		
Sites	Resource Recycling	170	610	1,066		
	Upstream/Downstream Processes	0	0	—		
	Management Activities	0	626	—		
	R&D	0	0	—		
	Social Contribution Activities	0	36	—		
	Environmental Damage	0	5	—		
	Total	903	4,336	2,603		—

Eco-Factories Initiative

Global Warming Prevention through Energy Conservation

The Renesas Electronics Group takes an active part in semiconductor industry initiatives to help prevent global warming. We also work continuously to conserve energy in a number of ways to meet electrical and electronic industry associations' targets and emissions intensity reduction targets under the Law Concerning the Rational Use of Energy.

To meet these targets, we organize working groups, share information, and carry out effective measures internally while considering new energy conservation measures through partnerships with equipment manufacturers and working with industry initiatives.

Reducing Energy

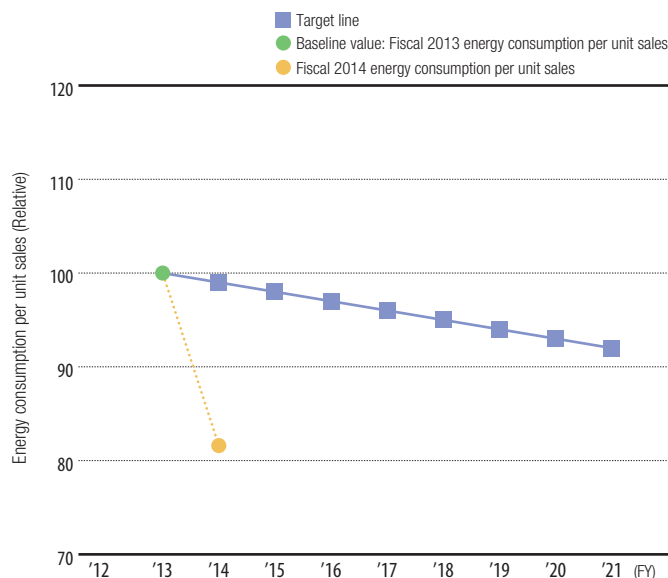
Renesas started participating in the Commitment to a Low Carbon Society, an effort of the electrical and electronic industry, in fiscal 2014.

Under the commitment, the baseline value for a business is the value for fiscal 2013. Our target is to reduce energy consumption from the baseline by an average of 1% per year through fiscal 2021 (7.73% decrease compared to the value in fiscal 2013).

As of fiscal 2014, we have reduced energy use by 17 points more than targeted.

Because the electric power supply is forecast to stay tight in fiscal 2015 and beyond, we will continue to actively take measures that focus on energy conservation as we strive to cut CO₂ emissions. We have moreover endorsed the "Commitment to a Low Carbon Society" put forth by KEIDANREN (the Japan Business Federation), and will continue the fight against global warming by joining initiatives by the electrical and electronic industry associations.

Energy consumption per unit sales



Energy Reduction on Production Lines

We are also working toward achieving our energy conservation target under the Law Concerning the Rational Use of Energy, and therefore on our production lines we seek to reduce the rate of energy consumption by 1% year on year. Specifically, we have systematically taken such measures as putting pumps, fans, etc., under inverter control, optimizing air conditioning methods and settings, and replacing chillers and boilers with energy-saving models. We are furthermore optimizing equipment operation depending on our production volume.

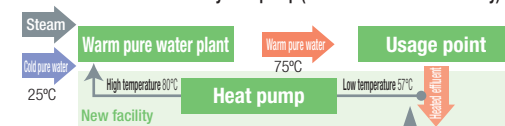
Major Measures Taken in Fiscal 2014

Renesas Electronics accounts for energy conservation effectiveness and investment effectiveness, giving priority to implementing effective measures.

Major measures taken in fiscal 2014 included the following.

- Making heat exhaust recovery systems more efficient
- Making Air-Conditioning Systems More Efficient
- Making freezers more efficient
- Enabling pumps to conserve electric power

Installation of thermal recovery heat pump (Kumamoto Kawashiri Factory)



In the past, heat from heated effluent was simply released to the atmosphere. Now, it is collected with a heat pump and used as a heating source for the warm pure water plant, which reduces the use of steam.



Eco-Factories Initiative

Reducing GHG Emissions

The Renesas Electronics Group uses PFC*1 gas, which is a greenhouse gas, primarily as a reaction chamber cleaning gas for semiconductor production processes. These gases do not readily decompose, and since their global warming potential (GWP*2) is between about 5,000–20,000 or even higher, it is critical to reduce these emissions. Therefore the Group has set PFC gas emission reduction targets and is actively working to help prevent global warming. Methods of reducing the greenhouse effect of PFC gases include 1) switching to gases with a lower GWP, 2) optimizing processes to reduce the volume of PFC gases used, and 3) installing abatement systems that remove PFC gases to break them down. The Group had been developing technology to cut emissions to 90% or lower in 2010 as compared to 1995, using a combination of these three techniques.

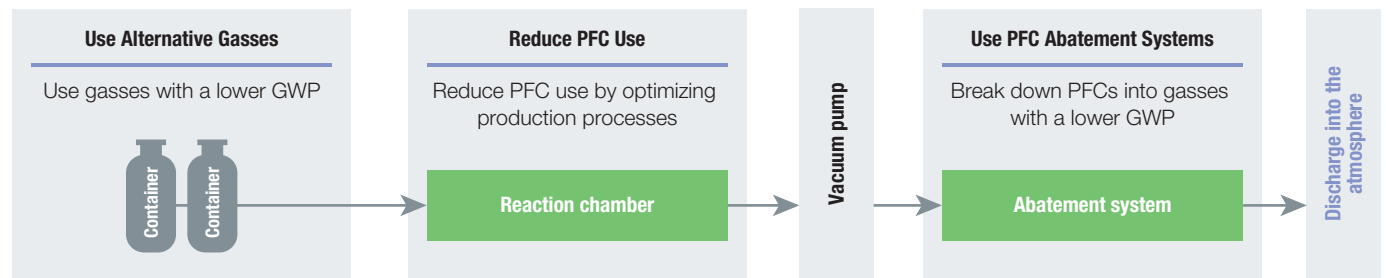
In 2013, we continued working toward that target as we engaged in reduction initiatives. While production volume did have an effect, emissions were kept to only about 28% of the 1995 level. Thanks to our ongoing reduction initiatives, we have achieved our reduction targets since 2008 and are steadily cutting emissions of greenhouse gases.

We will pursue further emissions reductions in 2014 and beyond.

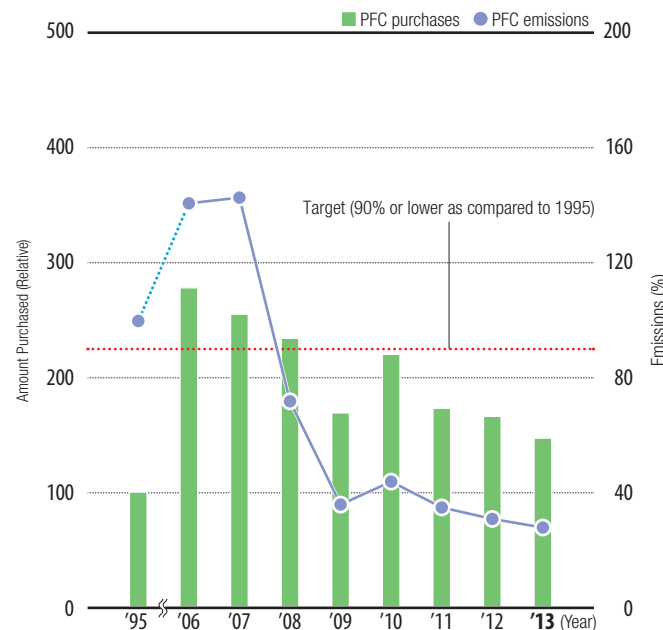
*1: Perfluorocompound (The semiconductor industry has specified CF₄, C₂F₆, C₃F₈, C₄F₈, CHF₃, SF₆ and NF₃ for emissions reduction.)

*2: Global warming potential, a coefficient indicating how much a given mass of greenhouse gas is estimated to contribute to global warming (CO₂ = 1)

GHG Emissions Reduction Image



PFC Gas Emissions Trend



PFC Gases and GWP

PFC gas	GWP
CF ₄	5,700
C ₂ F ₆	11,900
C ₃ F ₈	8,600
C ₄ F ₈	10,000
CHF ₃	12,000
SF ₆	22,200
NF ₃	10,800

PFC Gases Subject to Reduction Initiatives

Six gases subject to reduction under Kyoto Protocol	Seven gases subject to reduction by the semiconductor industry
CO ₂ (carbon dioxide)	Controlled as CO ₂ attributable to energy use
CH ₄ (methane)	Not covered
N ₂ O (nitrous oxide)	Not covered
HFC (hydrofluorocarbon)	CHF ₃
PFC (perfluorocarbon)	CF ₄ , C ₂ F ₆ , C ₃ F ₈ , C ₄ F ₈
SF ₆ (sulfur hexafluoride)	SF ₆
Not covered	NF ₃

Eco-Factories Initiative

Chemical Substance Management

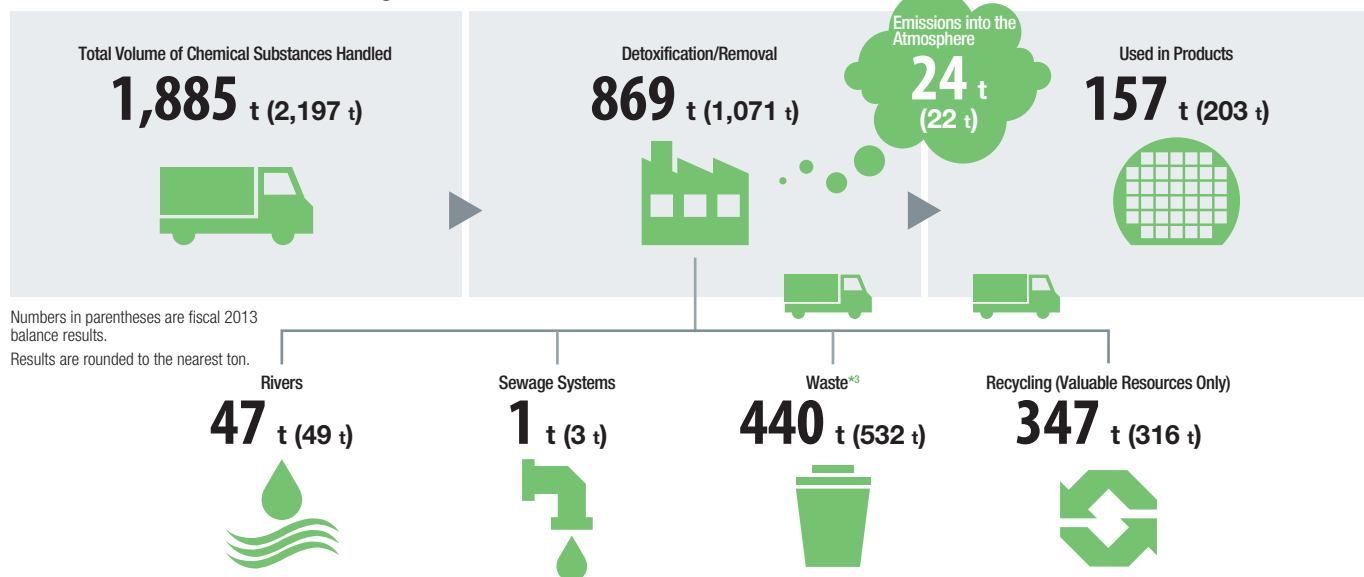
The Group conducts various assessments of the chemical substances it uses, based on its chemical substance database compiled through green procurement activities and the acquisition of information about related laws and regulations. The Group strives to accurately understand and reduce the total volume of chemical substances used and manages the volume of hazardous chemical substances used and their emissions. In this manner, we are pursuing

research and development for green products and eco-factories. Under risk management, we practice material-balance management without rounding down figures on the amount of PRTR*1-regulated chemical substances and VOCs*2 we handle. The results of this material-balance management are reported to the relevant authorities, and are also analyzed and utilized in our activities to promote the use of alternative substances and reduce chemical substance emissions.

*1: Pollutant Release and Transfer Register Law (A law concerning the monitoring of emissions of specified chemical substances into the environment and their management)

*2: Volatile organic compounds

Fiscal 2014 Balance of PRTR-Regulated Chemical Substances



Numbers in parentheses are fiscal 2013 balance results.

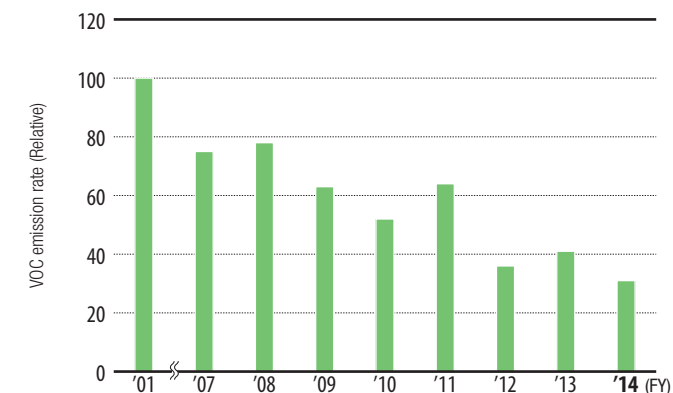
Results are rounded to the nearest ton.

*3: Includes waste for recycling at the Company's expense.

Reducing VOC Emissions

In the Renesas Electronics Group, VOCs such as isopropyl alcohol and xylene are released from factories only after they have been rendered as harmless as possible by equipment that processes organic gas emissions. Along with this, we optimize production processes and use production equipment effectively as we endeavor constantly to lower VOC emissions. Fiscal 2014 VOC emissions fell substantially, by about 31%, compared to fiscal 2001, showing that our measures so far are steadily paying off. Going forward, we will continue our proactive efforts to cut VOC emissions, which includes further optimizing production processes.

VOC Emissions Trend



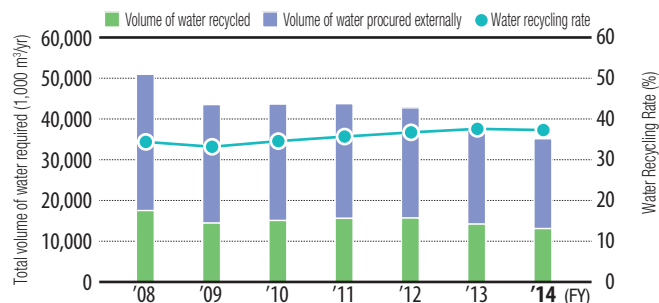
Eco-Factories Initiative

Conserving Water Resources

The Renesas Electronics Group is conserving water by actively recycling and reusing it.

In fiscal 2014, total water consumption was 35,145,000 m³, of which we recycled 37.3%. Moreover, the amount of water taken from the water supply was down 6.5% compared to the previous year.

Water Consumption and Recycling Rate



Total volume of water required = Volume of water recycled + Volume of water procured externally
Water recycling rate = Volume of water recycled ÷ Total volume of water required × 100



Environmental Measures in Logistics Operations

The Renesas Electronics Group implements various environmental measures in its logistics operations. Specific measures include the reduction of energy used for the transport of products and waste, reduction and reuse of product packing materials, and switching to eco-friendly company vehicles.

Pursuant to the revision to Japan's Law Concerning the Rational Use of Energy, which stipulates "Specified Consignor" obligations, the Group is striving to reduce CO₂ emissions in its logistics operations. In fiscal 2014, the Group reorganized manufacturing sites and warehouses in Japan. As a result, our domestic shipping volume declined 6.6% from the previous year. We will continue our efforts to reduce energy use in logistics operations in fiscal 2015 and beyond.

Domestic shipping volume

Fiscal Year	Renesas Electronics	Totals for Each Group Company
2011	1,712 million ton-km	833 million ton-km
2012	1,255 million ton-km	722 million ton-km
2013	1,178 million ton-km	669 million ton-km
2014	862 million ton-km	566 million ton-km



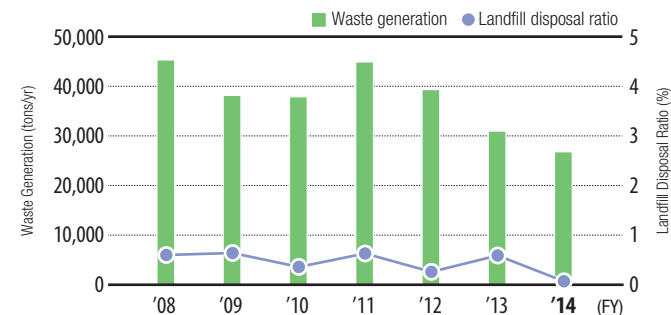
Waste Management

The Renesas Electronics Group's waste management target for fiscal 2014 was to "maintain our zero-emissions status (landfill disposal ratio of less than 1%)." We were able to realize this goal with a landfill disposal ratio of 0.07%, and thus achieved zero emissions.

Additionally, we practiced strict legal compliance and continued to periodically visit our industrial waste processing contractors to ensure that they were processing waste appropriately.

The Group practices strict storage, management and reporting of equipment that uses PCBs, in accordance with the law. Concerning disposal of PCB wastes in storage, we have completed early registration of affected equipment with the Japan Environmental Safety Corporation (JESCO), which oversees regional PCB disposal programs.

Domestic Waste Generation and Landfill Disposal Ratio



Eco-Factories Initiative

Protecting the Ozone Layer

The Montreal Protocol on Substances That Deplete the Ozone Layer classifies ODSs*1 into Class I (CFCs*2, etc.) and Class II (HCFCs*3). The Group has completely eliminated the use of all these from our production processes.

Furthermore, we are systematically reducing the use of CFCs used as refrigerants in chillers, refrigerators, air conditioners and other equipment and replacing them with alternative substances in line with Montreal Protocol program. We are also recovering ODSs when affected equipment is scrapped and making sure these substances are destroyed.

*1: Ozone-depleting substances

*2: Chlorofluorocarbons

*3: Hydrochlorofluorocarbons

Overseas Initiatives

The Renesas Electronics Group's overseas manufacturing sites conduct environmental initiatives using ISO 14001 environmental management, based on the Group's Environmental Policy. Each manufacturing site sets its own targets and specific measures in accordance with local legal regulations and industry initiatives.

Renesas Semiconductor Singapore

Renesas Semiconductor Singapore staff members took a tour of Marina Bay City Gallery and Marina Barrage in November 2013. At Marina Bay City Gallery, they listened to an overview of urban planning in Singapore and learned about the latest environmental technology. At Marina Barrage, a dam has been built to create a reservoir and provide a supply of water. This facility, in addition, will control flooding. The event was a great opportunity to learn about the history of water in Singapore.

By taking this tour, our staff members gained a greater awareness of environmental protection, which they will take into their efforts to promote the environment.

➤ (Reference) <http://www.marina-bay.sg/marinabaycitygallery.html>

➤ (Reference) <http://www.pub.gov.sg/Marina/Pages/default.aspx>



Visit to a facility in the Marina district

Preventing Soil Pollution

In response to the Ordinance to Partially Revise the Water Pollution Prevention Act Enforcement Ordinance, commonly known as the Revised Water Pollution Prevention Act, we are taking appropriate measures in facilities where there is a risk of groundwater contamination (soil pollution). The photo on the left shows a facility before measures were taken. In the photo on the right, the facility has been equipped with a dike and rainwater gutter and the floor has been coated to prevent water penetration. A further series of improvements are planned going forward.



Before

After responding to revised act

Amount of environmental investment and number of investments in response to Water Pollution Prevention Act

Fiscal year	Fiscal 2013	Fiscal 2014	Fiscal 2015 (planned)
Investment (¥ million)	22	100	372
Number of investments	7	10	24

Since fiscal 2013, the Renesas Electronics Group has been making environmental investments to ensure our compliance with the Water Pollution Prevention Act. The amount of our environmental investment associated with the act was ¥22 million in fiscal 2013 and ¥100 million in fiscal 2014.

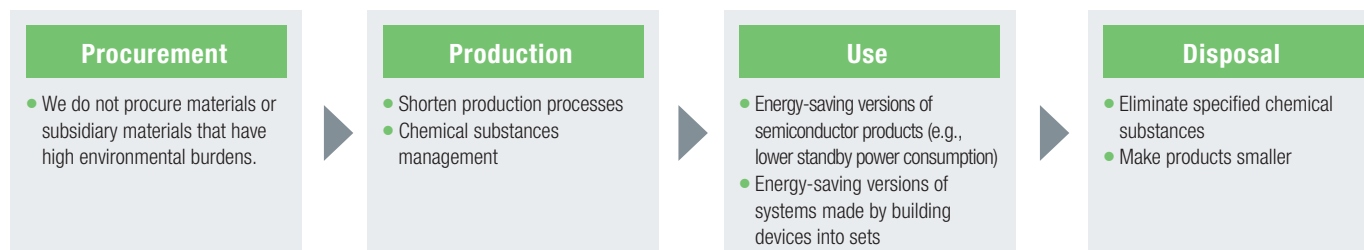
Eco-Products Initiative

Eco-Products Initiative

Customers' environmental requirements for our semiconductor products are growing stricter every year. The Renesas Electronics Group is proceeding with its Eco-Products Initiative to meet these requirements. To turn a product into an eco-product, it is important to build in a variety of innovations at the development and design stages to reduce environmental burden at all life cycle stages, including procurement, production, usage and disposal.

Our eco-products are made possible through product environmental assessments, which are comprehensive evaluations of the product environmental burden reduction measures. Product environmental assessments are divided into two stages: time of development and prior to mass production.

Eco-Products Initiative at Each Stage

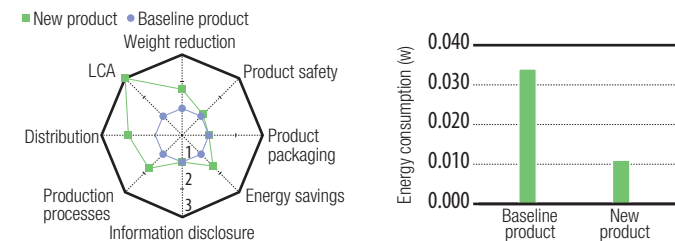


Creation of Eco-Friendly Products

As a way to create eco-friendly products, we include a product environmental assessment (see figure on right), a way of evaluating how much a project mitigates environmental burden, into our development and design flow. The evaluation compares new products against old ones in eight categories, including volume reduction, product safety, and energy savings. The process yields quantifiable results that can be visualized, for example with charts. This helps improve the performance of our semiconductor product itself, and when used in our customers' products, helps make them smaller and more energy-efficient. This ultimately decreases the environmental burden of the customers who use those products.

Example of Product Environmental Assessment Sheet

Product Environmental Assessment Results Chart and Energy Consumption Comparison



Eco-Products Initiative

Compliance with Environmental Laws and Regulations

Embedded in wide-ranging finished products, Renesas Electronics' semiconductors are being used worldwide. In order to ensure compliance with environmental laws and regulations relating to its products and to enable necessary countermeasures for potential issues, Renesas Electronics is working to obtain information regarding such laws and regulations in major countries immediately after its publication.

Major Environmental Laws Overseas and Our Response

The RoHS Directive*¹ and the ELV Directive*² of the European Union have defined threshold values for chemical substances contained in certain products. In response to these and other similar directives, Renesas Electronics makes sure that it receives product analysis data from suppliers of semiconductor device components as well as reports certifying that their products are free of banned substances. In addition, we conduct voluntary analysis of these components to confirm that sub-threshold values are observed.

*1 **RoHS Directive:** EU directive on the Restriction of the use of certain Hazardous Substances in electrical and electronic equipment. Limits content of lead, mercury, cadmium, hexavalent chromium and brominated flame retardants (PBB, PBDE).

*2 **ELV Directive:** EU directive on End-of-Life Vehicles. Limits content of lead, mercury, cadmium and hexavalent chromium.

Initiatives in China

China's Administrative Measure on the Control of Pollution Caused by Electronic Information Products—also known as China RoHS—requires manufacturers to use specific labels on products that contain designated toxic and hazardous substances. Since semiconductors are too small to mark with logos and labels, Renesas Electronics provides information relating to chemical substances contained in its products and product EFUP values through its Website and through local sales companies and authorized dealers.

➤ **Product Information for China RoHS (Website)**
www.renesas.com/products/lead/specific_info/el/china_rohs_list/index.jsp

Initiatives in Europe

Renesas Electronics is not required to register its semiconductor devices under the EU's REACH Regulation*³, since they are articles (finished products) that do not intentionally emit chemical substances. Moreover, we obtain information relating to substances of very high concern (SVHCs*⁴) from the supply chain and provide it to customers.

The Group will continue to closely monitor movements of environmental laws and regulations overseas and implement appropriate measures.

*3 **REACH Regulation:** Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals. Requires registration and evaluation to produce or import chemical substances in the EU, requires authorization for substances of very high concern, and sets limits (including bans) on high-risk substances.

*4 **SVHC:** Substances of Very High Concern (because they harm or may harm health and safety.)

Voice — Comments from Yokogawa Electric Corporation

Renesas Technology Lets Us Achieve Eco-Friendly Factories and Helps Our Systems Conserve Energy

Yokogawa Electric is a world and industry leader in plant operation control systems. Yokogawa Electric's control systems are used to make factories more eco-friendly, for as the company's Kuniharu Akabane says, "Our systems are directly concerned with plants' overall environmental problems." Therefore, Yokogawa Electric uses Renesas microcomputers for their control systems. Akabane continues: "One of our guidelines is that equipment should have lower energy consumption than the previous generation of the same grade. We depend on Renesas to help us lower energy consumption despite the fact that clock frequencies of the microcomputers we use are increasing along with the volume of data to process." Renesas technology is helping to achieve two conflicting goals: high performance and low energy consumption. And for systems that Yokogawa Electric offers globally, Renesas microcomputers have to be RoHS-compliant.



Kuniharu Akabane
 Manager
 Process Automation Hardware
 Development & Engineering Dept.
 IA Systems Business Division
 Yokogawa Electric Corporation

Eco-Communication Initiative

Communication with Local Communities

Employees at the Yonezawa Factory brought in unneeded aluminum cans from their homes, recovering 500 kg of cans. The cans are being exchanged (recycled) for aluminum wheelchairs that are being donated gradually, and this time the ninth wheelchair was donated to a welfare institution in Yonezawa City called the Sanyudo Rehabilitation Center. This initiative serves both to raise environmental awareness among employees and to make a social contribution to the local community.

Employees at the Kochi Factory took part in the community-wide clean up held by Konan City. The event was held on a cold day at the end of November, and a total of 26 members collected combustible and recyclable trash from roads in the factory area and from the embankments of the Koso River. When properly separated and placed in the designated polyethylene trash bags, the recovered trash filled 24 bags.



Wheelchair Donations in Yonezawa



Community-wide clean up in Kochi

Environmental Education

At the Renesas Electronics Group, environmental education is classified into three programs: general environmental education; specialized environmental education, and environmental management system education related to ISO 14001.

In the general environmental education program, the Group provides basic environmental education to help all our executives and employees acquire necessary environmental knowledge through environmental e-learning sessions. Meanwhile, the specialized, operation-specific environmental education program has been designed to allow employees to gain the environmental knowledge required for their respective operations. This program offers education and training specific to the individual fields of development design, sales and manufacturing. Finally, the ISO 14001 education program helps employees understand the ISO 14001 certification system and helps internal auditors develop their auditing skills.

Renesas Electronics Environmental Education System

Program	Purpose	Fiscal 2014 Target
General Environmental Education	Raising the environmental awareness of employees	<ul style="list-style-type: none"> ● Creating an environmental study library ● Position-specific education (new employees/new leaders/new managers) ● Basic environmental education
Specialized Environmental Education	Gaining environmental knowledge required for operations	<ul style="list-style-type: none"> ● Environmental education for design and development divisions ● Environmental education for sales divisions ● Environmental education for manufacturing divisions
ISO 14001 Education	<ul style="list-style-type: none"> ● Understanding the ISO 14001 certification system ● Developing the skills of internal auditors 	<ul style="list-style-type: none"> ● Basic ISO 14001 education ● Internal auditor education

Fiscal 2014 Achievement

We gave specialized education to our development and design and sales divisions. There was a huge amount of learning covering a wide range of content, but the training was very effective and has been incorporated into the manual for design and sales. An online environmental basic course intended for all Group employees was offered. In those cases where this education was included in a department's targets, there was a high level of attendance (95.8%).



Environmental education course

Comments from Environmental Education Participants

- I am seriously concerned about my children's futures because of the effects of global warming. I want to contribute by making every effort I can, in my own way, to make it possible for Renesas to create even more eco-friendly products.
- As a Renesas member, I want to move ahead with serious environmental activities in order to leave a rich and varied global environment for my future descendants.
- This environmental education included topics relating to the effects from shutting down nuclear power plants and other such current issues, and it was very meaningful in terms of taking a new look at environmental problems.

Eco-Communication Initiative

External Acknowledgement, Etc.

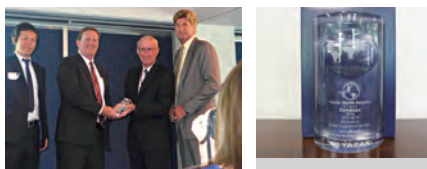
Chiyoda Ward Environmentally Friendly Business Establishment Award

The Nippon Building office of Renesas, which is located in Chiyoda Ward of Tokyo, received an Environmentally Friendly Award from the ward. The award commends business establishments that have implemented outstanding environmental initiatives, and was given in recognition of energy conservation, environmental education, community contributions, and other such measures participated and achieved by all employees of Renesas Electronics Sales Co., Ltd., which was absorbed into Renesas Electronics Corporation on October 1, 2013.



Recognition from Customers Outside Japan

We received the Green Supplier Award from one of our customers, Yazaki North America, on June 5, 2014. We explained the Renesas Electronics group environmental activities at the award ceremony.



Renesas Electronics America receives the Green Supplier Award from Yazaki North America

Certificates of CO₂ offsets

The Group conducts forest conservation activities in various places. In fiscal 2014 we received certificates of CO₂ offsets as follows.



CO₂ offset certificate issued by Kochi Prefecture

Kumamoto Prefecture forest offset certificate

List of CO₂ offset certificates

Business sites	Issued by	Amount of CO ₂
Headquarters	Kanagawa Prefecture	247 t-CO ₂ over five years, starting in October 2010 (forest CO ₂ offset calculation statement)
Kochi Factory	Kochi Prefecture	151 t-CO ₂ (Kochi Prefecture CO ₂ offset certificate)
Kawajiri Factory	Kumamoto Prefecture	29.79 t-CO ₂ (Kumamoto Prefecture forest offset certificate)
Annual total: 230 t-CO ₂		

Environment-Related Troubles

We experienced two environmental accidents in fiscal 2013. We are using information learned from these accidents not only at the affected bases but also at other Group bases to prevent similar incidents from happening.

In fiscal 2014, there were no problems of note.

Site Reports

The Group issues site reports for its domestic sites and Group companies primarily for the sake of local communities.

- RSMC Naka Factory and other sites
- RSPT Kawajiri Factory and other sites



Site reports

Information in Various Formats

Renesas Official Facebook Page

Renesas is using social media to facilitate communication with and among our customers. Through such media, we make timely announcements of our social initiatives, symbol sports, exhibitions, and the latest product information, among others.



CSR Management

Number of the Outside Directors

2

Number of Consultations/Reports
Using Group Hotline in Fiscal 2014

10

C O N T E N T S

➤ Corporate Governance

➤ Risk Management

➤ Compliance

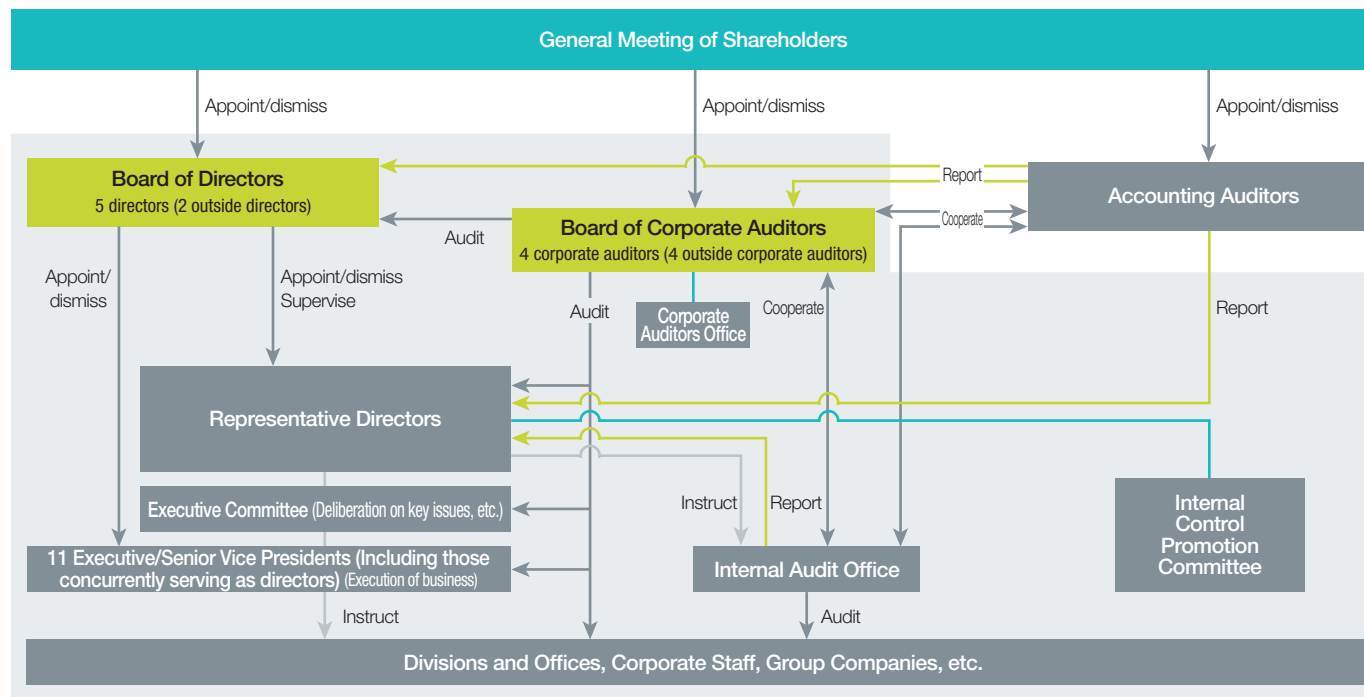
Corporate Governance

Stance of the Renesas Electronics Group

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.

Corporate Governance Structure

Corporate Governance Structure



(As of August 31, 2014)

Overview of Boards

	Board of Directors	Board of Corporate Auditors
Role	<ul style="list-style-type: none"> Makes decisions on important management issues Supervises Directors' performance of duties 	<ul style="list-style-type: none"> Audits Directors' performance of duties Decides auditing policies, etc. Supervises Directors' performance of duties
Members	<ul style="list-style-type: none"> Five directors (two outside directors) * The chief role of external directors is to audit the execution of duties by other directors for appropriateness and to take part in management decision-making with their outside perspective. 	<ul style="list-style-type: none"> Four corporate auditors (four outside corporate auditors) * Three of the corporate auditors have considerable knowledge of finance and accounting. * Two of the outside corporate auditors are independent.
Notes	<ul style="list-style-type: none"> As a rule, meets once a month and whenever necessary. Matters referred to the Board of Directors as a rule go through a pre-deliberation by the Executive Committee to allow for a fuller deliberation. * To clarify business execution responsibilities and speed up decision-making, we have implemented an executive officer system and provide appropriate authority to executive officers based on the area of responsibility they are assigned by the Board of Directors. 	<ul style="list-style-type: none"> As a rule, meets once a month and whenever necessary. * To enhance the effectiveness of audits, Corporate Auditors collaborate with the accounting auditor, Renesas Electronics' Internal Audit Office and other related divisions and offices to collect auditing-related information and to exchange views.

➔ [Corporate Governance Report and Internal Control System \(Website\)](http://www.renesas.com/ir/company/governance.html)
www.renesas.com/ir/company/governance.html

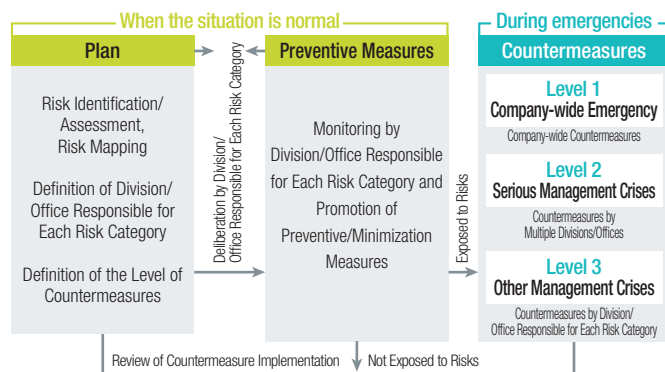
Risk Management

System of Risk Management

Renesas Electronics has formulated Basic Rules for Risk Management and, based on these rules, the Company has established a Group-wide 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. When a management crisis occurs, Renesas Electronics sets up a risk-specific task force in line with planned countermeasures. These risk-specific task forces do their utmost to minimize the negative impacts of a management crisis.

Risk Management Structure



Establishing BCPs

As part of enhancing its risk management system, Renesas Electronics recognizes business continuity plans (BCPs) as the primary means to prevent disasters and manage risks. Together with our Group companies, we have worked proactively to establish and strengthen our BCPs in order to protect the safety of employees, continue supplying products and services and safeguard our management resources. We performed a general inspection of our BCP predating the Great East Japan Earthquake and have made further revisions based on that experience and anticipated damage from an earthquake directly beneath the Tokyo metropolitan area and a Nankai Trough earthquake.

Specific issues raised included strengthening our emergency response systems and measures for safety, damage mitigation, business continuity and quick recovery after a disaster, as well as enhancing measures for restoring operations in the event of a disaster (e.g., establishing recovery procedures and specifying who is in charge at these times), putting in seismic reinforcement, establishing alternate production networks and enhancing risk communication with customers. Each division or office of the Renesas Electronics affected by these issues is working out countermeasures and putting them into practice as part of their new BCPs. They report their progress on these efforts at a Company-wide meeting on overall BCP advancement and carry out these efforts at individual business sites. In these ways, we are working to enhance the entire Group's capacity for business continuity.

Risk Management outside Japan

To perform risk management outside Japan, we work with the head office division that supervises each overseas site, as well as the local risk management office, to identify potential risks associated with each risk event. Then, working with the local risk management office, we draft countermeasures and write manuals. There are certain risk events that call for us as a Group to be especially vigilant and to share information, such as new strains of influenza and terrorism. We are putting a system in place to notify Group employees, including those overseas, with the information we collect on such events. And in case of damage from natural disasters or other events at or near the Group, we have a system in place for all Renesas staff concerned with risk countermeasures to share information rapidly as we promote global risk management.

Compliance

Stance of the Renesas Electronics Group

For Renesas Electronics, we define compliance as obeying the law and responding to what society requires of us. We believe that the practice of thorough compliance is critical to a company's survival. To that end, we formulated the Renesas Electronics Group Code of Conduct as a common Group guideline for the practice of compliance.

Compliance Promotion Structure

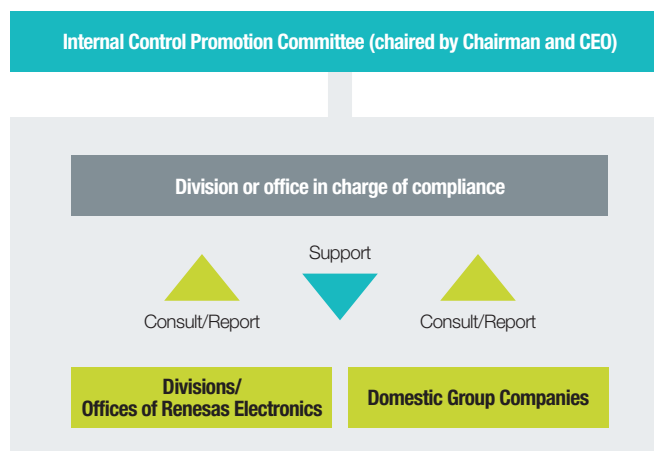
Renesas Electronics' Internal Control Promotion Committee, chaired by the CEO, deliberates and makes decisions on compliance matters, and reports key issues to the Executive Committee and the Board of Directors.

The CEO Office oversees all matters relating to promoting compliance and designates a division or office responsible for each compliance risk category.

General managers of Renesas Electronics divisions and offices and presidents of domestic Group companies are responsible for compliance in their respective organizations. They cooperate with those in charge of compliance in each field to decide on and implement the measures necessary to promote compliance.

If a compliance violation does occur, the division/office or domestic Group company reports it promptly to the head of the division or office in charge of compliance for the field in question and to the chief of the CEO Office.

Compliance Promotion Structure



Compliance Promotion Activities

The division/office in charge of compliance in each field monitors trends in the establishment or revision of laws, etc., that underlie compliance promotion. Then it raises awareness by preparing regulations and manuals, providing training and practicing communication, and performs monitoring.

The CEO office conducts training and awareness-raising

initiatives on all compliance matters. All Group employees, moreover, fill out a questionnaire once a year to verify that compliance has taken root. If necessary, the results are shared with the divisions/offices in charge of compliance, which find this information useful when they revise the measures necessary to promote compliance.

Division/office heads and Group company presidents and compliance promoters, who assist Division/office heads and Group company presidents, lead activities that promote compliance within their own organizations.

Compliance Risks

Major Compliance Risks	
Fraudulent order/fictitious revenue	Subcontract Law violations, camouflage contracting, illegal importing, interest-conflicting transactions
Illegal export	Computer viruses, illegal software copying, unauthorized access
Deceptive advertising	Infringement of other parties' intellectual property rights
Antimonopoly Law violations (cartels, etc.), transactions with antisocial forces, confidential/personal information leaks, insider trading, internal illegal activities	Defective products, product data falsification
Accounting fraud	Inappropriate relationships with sales partners, illegal conduct against sales partners
Human-rights abuses (sexual harassment, etc.), occupational accidents, corporate entertainment/gift-giving scandals, illegal political donations	Environmental damage, contamination of specified hazardous substances

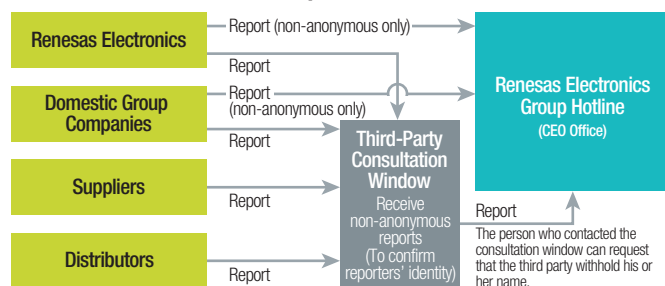
Compliance

Compliance Hotline

Group executives and employees may encounter a situation in which 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 situations, 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 for reporting such problems.

In addition, by employing a third party who serves as an external contact point, we have established a system under which the anonymity of the person reporting is protected at his or her 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 adverse 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 people can use the Group Hotline without anxiety. The hotline was used 10 times in fiscal 2014 for consultation or reporting.

Renesas Electronics Group Hotline



Initiatives against Antisocial Forces

In June 2007, the Japanese government announced guidelines for enterprises to prevent damage by antisocial forces. This is part of a rapidly growing movement in recent years to eliminate antisocial forces. In our Code of Conduct and Basic Rules for Rejecting Transactions with Antisocial Forces, Renesas likewise prohibits employees from doing business with antisocial forces and has set up a system to prevent such transactions. Specifically, there is a self-verifying committee at each workplace and affiliated company that uses self-discipline to decide whether transactions can go forward and works to prevent business with antisocial forces. In addition, workplace managers and affiliated company presidents perform self-audits and check on the status of their businesses.

Secure Export Control Initiatives

The Renesas Electronics Group’s products are used in industries around the world. To ensure that these products are not used to disrupt international peace and security, the Group must manage our exports appropriately day to day.

In addition to strict observance of applicable laws and regulations, Renesas Electronics voluntarily promotes security export control in a manner more stringent than that mandated by these laws and regulations. Moreover, we periodically audit all sites in Japan and overseas to ensure

they are constantly maintaining appropriate control, and we provide systematic position-specific and job-specific training to all employees.

Furthermore, Renesas Electronics has been certified as an Authorized Economic Operator (AEO) Exporter by the Tokyo Customs office of the Ministry of Finance of Japan, meaning we are an exporter that practices security management and have demonstrated excellent compliance.

Confidential Information Management/ Personal Information Protection

The Renesas Electronics Group has formulated its Information Security Policy, Privacy Policy and Basic Rules for Confidential Information Management. At Renesas divisions and Group companies in Japan, persons with ultimate responsibility are appointed, along with information management promoters. The latter head up our information management activities. Additionally, our system allows personal information to be acquired through the Web and handled only if consent is given in advance. This is one of the ways in which we take great care to ensure that we stay in compliance with the laws of nations around the world.

➤ [Privacy Policy \(Website\)](http://www.renesas.com/privacy/)
www.renesas.com/privacy/

➤ [Information Security Policy \(Website\)](http://www.renesas.com/comp/csr_eco/csr/management/security_policy/index.jsp)
www.renesas.com/comp/csr_eco/csr/management/security_policy/index.jsp