

WSC GUIDING PRINCIPLES FOR ENVIRONMENT, SAFETY AND HEALTH

INTRODUCTION

The semiconductor industry is the world's most innovative industry. Over the last forty years its average annual growth has exceeded all other industry sectors. Semiconductors are the key components of electronics, which permeate all industries.

Growth and technological progress drive the semiconductor industry to be **proactive**: to anticipate, and avoid problems rather than correcting problems. The semiconductor industry has established an excellent Environmental, Safety and Health (ESH) performance record. The industry wants to continue to be proactive in these areas. Therefore the WSC commits to these "Guiding Principles" in anticipation of future needs and to reinforce our leadership position. In accordance with scientific findings, we will make appropriate investments in support of our commitments.

At WSC we firmly believe that it is necessary for our industry to be at the forefront of sustainable development, fostering world economic growth based on sound environmental practices. In addition, WSC member associations recognize that ESH issues should be addressed in a "pre-competitive" manner. To achieve these objectives, the WSC recognizes the following Guiding Principles, which were developed with the cooperation of all its member associations. The WSC encourages its member associations to support the application of these Guiding Principles by their member companies. .

GUIDING PRINCIPLES

- 1) Meet or exceed ESH REGULATIONS of the countries and communities in which WSC associations operate, conscious of all international protocols relevant to ESH that have been ratified by all governments of the WSC member associations.
- 2) Promote natural RESOURCE CONSERVATION, including reduction of energy, water, and other raw materials through efficient use, recycling, and process and facility optimization; seeking high-efficiency energy sources such as cogeneration, and cost-effective renewable and alternative energy sources where appropriate.
- 3) Endeavor to achieve environmental POLLUTION PREVENTION, including:
 - a) Reducing air emissions, including greenhouse gases, through energy conservation measures, utilization of high-efficiency, renewable and alternative energy sources, and decreasing PFC emissions.
 - b) Phasing out substances having high ozone-depletion potential.
 - c) Managing wastes in accordance with the following hierarchy: Preventing waste as a primary objective, followed in succession by reuse, recycling, waste

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destruction with energy recovery, incineration without recovery, and landfill disposal.

4) Integrate ESH CONSCIOUS DESIGN considerations and optimization into the design of products, manufacturing processes, the selection of chemicals, facilities, and new buildings. Apply, where appropriate, life-cycle considerations to reduce environmental impact of the final products.

5) Provide a SAFE AND HEALTHY WORK ENVIRONMENT for our employees and promote healthy behaviors. Promote international cooperation regarding chemical management, utilizing scientific evidence, health assessment and risk assessment as the basis for effective workplace protection.

6) Support the implementation of ENVIRONMENTAL MANAGEMENT SYSTEMS (such as ISO 14001, EMAS, or equivalent systems) by the WSC member associations for their member companies and their supply chain.

7) Encourage member companies to participate in industry-wide ESH INITIATIVES and make information about their ENVIRONMENTAL PERFORMANCE AVAILABLE to the public.

8) Support the INTERNATIONAL COOPERATION of WSC associations to harmonize global ESH performance measurement. Strive to share "BEST PRACTICES" and innovative solutions to common challenges.

WSC Recommendations on Internet Policy

The members of the World Semiconductor Council (WSC) reaffirmed during the 6th WSC meeting, held in California on May 16, 2002, to make the following recommendations regarding internet policies:

- WTO obligations (GATT, GATS, TRIPs) should be technology neutral – specifically these commitments are binding regardless of the means of technology used to consummate a transaction;
- Electronically delivered goods and services should receive no less favorable treatment under trade rules and commitments than like products delivered in physical form, and their classification should ensure the most liberal treatment possible;
- Governments should refrain from enacting trade-related measures that impede e-commerce;
- When legitimate policy objectives require domestic regulations that affect e-commerce, governments should ensure that such regulations are transparent, non-discriminatory and employ the least trade-restrictive means available; and
- International trading rules should promote the existence of a competitive network infrastructure needed to accommodate increasing digital trade.

The WSC also believes that governments should commit to:

- Eliminate or promptly phase out tariff and non-tariff measures applied to IT products and services;
- Refrain from placing special tariffs or local taxes on e-commerce;
- Pledge not to impose non-tariff measures, such as excessively restrictive standards or licensing;
- Refrain from imposing local establishment requirements;
- Apply most favored nation (MFN) and national treatment without exception;
- Seek improved market access and national treatment commitments for a broad range of services that can be delivered electronically; and
- Ensure that broadly defined market access commitments will enable the growth of cross-border trade in evolving IT services.

With respect to its recommendation that governments refrain from placing special tariffs or local taxes on e-commerce, the WSC urges governments not to impose levies on memory components as a means of compensating copyright owners because it harms consumers who are exercising their fair use of copyrighted materials. Instead governments should rely upon industry driven solutions to protect digital copyright material.

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