



THIS WE BELIEVE

SC Johnson has been guided by certain basic principles since its founding in 1886. These principles were first summarized in 1927 by H.F. Johnson, Sr., in his Profit Sharing speech:

**“The goodwill of the people is the only enduring thing in any business.
It is the sole substance...the rest is shadow!”**

In 1976, we formally stated these basic principles in “This We Believe.” Since then, our statement of corporate philosophy has been translated and communicated around the world — not only within the worldwide company, but also outside. It has served us well by providing all employees with a common statement of the basic principles that guide SC Johnson in all the different cultures where we operate. It has also provided people outside the company with an understanding of our fundamental beliefs. It communicates the kind of company we are.

Following the celebration of our 100th anniversary, and more than ten years after “This We Believe” was developed, it was appropriate to restate, clarify and reaffirm our commitment to uphold these principles, because our company, like most others in highly volatile times, had to adjust its business strategies worldwide. This restatement and clarification was important to assure that SC Johnson’s corporate policies and the actions of our managers and other employees continue to be fully supportive of our beliefs.

“This We Believe” states our beliefs in relation to the five groups of people to whom we are responsible and whose trust we have to earn:

Employees

We believe that the fundamental vitality and strength of our worldwide company lies in our people.

Consumers and Users

We believe in earning the enduring goodwill of consumers and users of our products and services.

General Public

We believe in being a responsible leader within the free market economy.

Neighbors and Hosts

We believe in contributing to the well-being of the countries and communities where we conduct business.

World Community

We believe in improving international understanding.

These beliefs are real and we will strive to live up to them. Our commitment to them is evident in our actions to date. The sincerity of our beliefs encourages us to act with integrity at all times, to respect the dignity of each person as an individual human being, to assume moral and social responsibilities early as a matter of conscience, to make an extra effort to use our skills and resources where they are most needed and to strive for excellence in everything we do.

Our way of safeguarding these beliefs is to remain a privately held company. Our way of reinforcing them is to make profits through growth and development, profits which allow us to do more for all the people on whom we depend.

We believe that the fundamental vitality and strength of our worldwide company lies in our people, and we commit ourselves to...

Maintain good relations among all employees around the world based on a sense of participation, mutual respect and an understanding of common objectives, by:

- Creating a climate whereby all employees freely air their concerns and express opinions with assurance that these will be fairly considered.
- Attentively responding to employees' suggestions and problems.
- Fostering open, two-way communications between management and employees.
- Providing employees with opportunities to participate in the process of decision-making.
- Encouraging employees at all levels and in all disciplines to work as a team.
- Respecting the dignity and rights of privacy of every employee.

Manage our business in such a way that we can provide security for regular employees and retirees, by:

- Pursuing a long-term policy of planned, orderly growth.
- Retaining regular employees, if at all possible, as conditions change.
- However, this may not always be possible, particularly where major restructuring or reorganization is required to maintain competitiveness.
- Retraining employees who have acceptable performance records and are in positions no longer needed, provided suitable jobs are available.

Maintain a high level of effectiveness within the organization, by:

- Establishing clear standards of job performance.
- Ensuring that the performance of all employees meets required levels by giving appropriate recognition to those whose performance is good and by terminating those whose performance, despite their managers' efforts to help, continues below company standards.

Provide equal opportunities in employment and advancement, by:

- Hiring and promoting employees without discrimination, using qualifications, performance and experience as the principal criteria.

Remunerate employees at levels that fully reward their performance and recognize their contribution to the success of their company, by:

- Maintaining base pay and benefit programs both of which are fully competitive with those prevailing within the relevant marketplaces.
- Maintaining, in addition to our fully competitive pay and benefit programs, our long-standing tradition of sharing profits with employees.

Protect the health and safety of all employees, by:

- Providing a clean and safe work environment.
- Providing appropriate training and occupational health services.

Develop the skills and abilities of our people, by:

- Providing on-the-job training and professional development programs.
- Helping employees qualify for opportunities in the company through educational and development programs.

Create environments that are conducive to self-expression and personal well-being, by:

- Fostering and supporting leisure-time programs for employees and retirees.
- Developing job-enrichment programs.
- Maintaining the long tradition of high quality and good design in our offices and plants.

Encourage initiative, innovation and entrepreneurship among all employees, thereby providing opportunities for greater job satisfaction while also helping the worldwide company achieve its objectives.

We believe in earning the enduring goodwill of consumers and users of our products and services, and we commit ourselves to...

Provide useful products and services throughout the world, by:

- Monitoring closely the changing wants and needs of consumers and users.
- Developing and maintaining high standards of quality.
- Developing new products and services that are recognized by consumers and users as being significantly superior overall to major competition.
- Maintaining close and effective business relations with the trade to ensure that our products and services are readily available to consumers and users.
- Continuing our research and development commitment to provide a strong technology base for innovative and superior products and services.

Develop and market products that are environmentally sound and do not endanger the health and safety of consumers and users, by:

- Meeting all regulatory requirements or exceeding them where worldwide company standards are higher.
- Providing clear and adequate directions for safe use, together with cautionary statements and/or symbols.
- Incorporating protection against misuse where this is appropriate.
- Researching new technologies for products that favor an improved environment.

Maintain and develop comprehensive education and service programs for consumers and users, by:

- Disseminating information to consumers and users that promotes full understanding of the correct use of our products and services.
- Handling all inquiries, complaints and service needs for consumers and users quickly, thoroughly and fairly.

We believe in being a responsible leader in the free market economy, and we commit ourselves to...

Ensure the future vitality of the worldwide company, by:

- Earning sufficient profits to provide new investment for planned growth and progress.
- Maintaining a worldwide organization of highly competent, motivated and dedicated employees.

Conduct our business in a fair and ethical manner, by:

- Not engaging in unfair business practices.
- Treating our suppliers and customers both fairly and reasonably, according to sound commercial practices.
- Packaging and labeling our products so that consumers and users can make informed value judgments.
- Maintaining the highest advertising standards of integrity and good taste.
- Not engaging in bribery.

Share the profits of each local company with those who have contributed to its success, by:

- Rewarding employees through a profit sharing program.
- Allocating a share of the profits to enhance the well-being of communities where we operate.
- Developing better products and services for the benefit of consumers and users.
- Providing to shareholders a reasonable return on their investment.

Provide the general public with information about our activities so they have a better understanding of our worldwide company.

We believe in contributing to the well-being of the countries and communities where we conduct business, and we commit ourselves to...

Seek actively the counsel and independent judgment of citizens of each country where we conduct business to provide guidance to local and corporate management, by:

- Selecting independent directors to serve on the boards of our companies worldwide.
- Retaining distinguished associates and consultants to assist us in conducting our business according to the highest professional standards.

Contribute to the economic well-being of every country and community where we conduct business, by:

- Ensuring that new investment fits constructively into the economic development of each host country and local community.
- Encouraging the use of local suppliers and services offering competitive quality and prices.

Contribute to the social development of every country and community where we conduct business, by:

- Providing training programs for the development of skills.
- Staffing and managing with nationals from those countries wherever practicable.
- Involving ourselves in social, cultural and educational projects that enhance the quality of life.

Be a good corporate citizen, by:

- Complying with and maintaining a due regard for the laws, regulations and traditions of each country where we conduct business.

We believe in improving international understanding, and we commit ourselves to...

Act with responsible practices in international trade and investment, by:

- Retaining earnings necessary for reinvestment in our local companies and remitting dividends on a consistent basis.
- Making royalty, licensing and service agreements that are fair and reasonable and do not result in any hidden transfer of profits.
- Limiting foreign exchange transactions to normal business requirements and for the protection of our assets.

Promote the exchange of ideas and techniques, by:

- Encouraging the rapid diffusion of new technology to our local companies and licensees, while protecting our ownership rights and investment in such technology.
- Organizing worldwide and regional meetings for the dissemination and exchange of information.
- Providing support and assistance, especially in technical and professional fields, to develop skills throughout the organization.
- Following a balanced approach between transferring people to new jobs to gain experience and leaving people on the job long enough to make positive contributions in their assignments.
- Participating actively in non-political national and international activities with the objective of improving the global business climate.

The "This We Believe" statement of company philosophy was discussed and ratified by over 200 delegates participating in the SC Johnson Wax Global Management Conference held in September, 1976, in Washington, D.C. The present text contains refinements introduced into the statement following more than ten years of practicing the "This We Believe" business philosophy on a worldwide basis.