



Sumitomo Bakelite takes environmental, safety, and health issues into consideration throughout all stages of the product life cycle—from development through disposal.

Prior Assessment of New Raw Materials

Sumitomo Bakelite evaluates raw materials to be newly used in product development from the standpoint of regulations in Japan and overseas, hazardous property data, and other important factors and has in place a framework for screening and registering such materials. For use as part of assessment criteria, we have established lists of banned substances and substances for which use is restricted.

Green Procurement and Supplying Safe Products

Consideration with regard to the chemicals contained in products throughout all stages of their life cycles, including use and disposal, has become a necessity. The EU's Restriction of Hazardous Substances (RoHS) directive and other regulations concerning the use of specified chemical substances are requiring the augmentation of product environmental quality management processes involving suppliers as well as increased information transmission. Response to environmental issues, primarily in the electronics and automotive industries, is on the rise not only in the EU member countries but also in other countries throughout the world. As a "Green Partner" to customers, the Sumitomo Bakelite Group is working with its customers to manage regulated chemical substances and plan the development and provision of products that do not harm the natural environment, even after their disposal.

Responding to Regulations Overseas and in Japan

The EU Regulation for Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) came into force on June 1, 2007. Requiring such processes as the registration of all chemicals exported to the EU in annual quantities of one ton or more, this law has considerably increased the strictness of the EU's chemical-related regulations. At the time of REACH's enforcement, we formed a project team to comprehensively prepare the entire Sumitomo Bakelite Group's response. Currently, we are moving ahead with measures related to Substance Information Exchange Forum (SIEF) consortia and other measures aimed at preparing for the implementation of registrations.

Within Japan, also, the government is taking measures to reform such chemical management-related laws as the "Act on

Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof" and "the Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc." Sumitomo Bakelite has responded by working to gather reform-related information, gain a good grasp of the reforms, and work proactively within and outside the Group to respond to the reforms.

Supplying Chemical Substance Data

The Material Safety Data Sheet (MSDS) is a data sheet that provides diverse information—such as information from the perspectives of health, safety, and environmental protection—to enable related employees to gain a thorough understanding of relevant materials. As a supplier of plastic products, the Sumitomo Bakelite Group issues product MSDSs that reflect the latest available information and are designed to ensure that customers are provided with fundamental safety information (such as information related to transport, handling, storage, and emergency responses). In addition, we are arranging in-house educational programs* for our own employees to ensure that a comprehensive set of raw material MSDSs is always available in each workplace that procures raw materials and thereby promote the prevention of accidents and increase employees' consciousness of safety issues.

Furthermore, as "the Globally Harmonized System of Classification and Labelling of Chemicals" (GHS) is adopted and advanced by countries around the world, we are working to introduce improved labeling, based on uniform hazardous substance classification standards, for all products that enables users to quickly understand important warning and reminder points with a single glance. The requirements with regard to product labels and MSDSs are becoming increasingly strict. Sumitomo Bakelite has striven to anticipate regulatory changes and begin developing in-house responses as early as possible, and the Group is reevaluating all its product labels and MSDSs to make sure they meet all requirements in Japan and overseas.



A sample of a GHS label

* See information about the SB School program on page 35 of this report for more details.

Comprehensive Chemical Substance Management System

To effectively manage responses to chemical substances related laws and regulations as well as other information associated with chemical substances, the Sumitomo Bakelite Group is moving ahead with the introduction of its Comprehensive Chemical Substance Management System. Because the system records the raw materials and a breakdown of the chemical substances in those materials, it facilitates the simple confirmation of data related to products' environment-friendliness, safety, and compliance with laws and regulations.

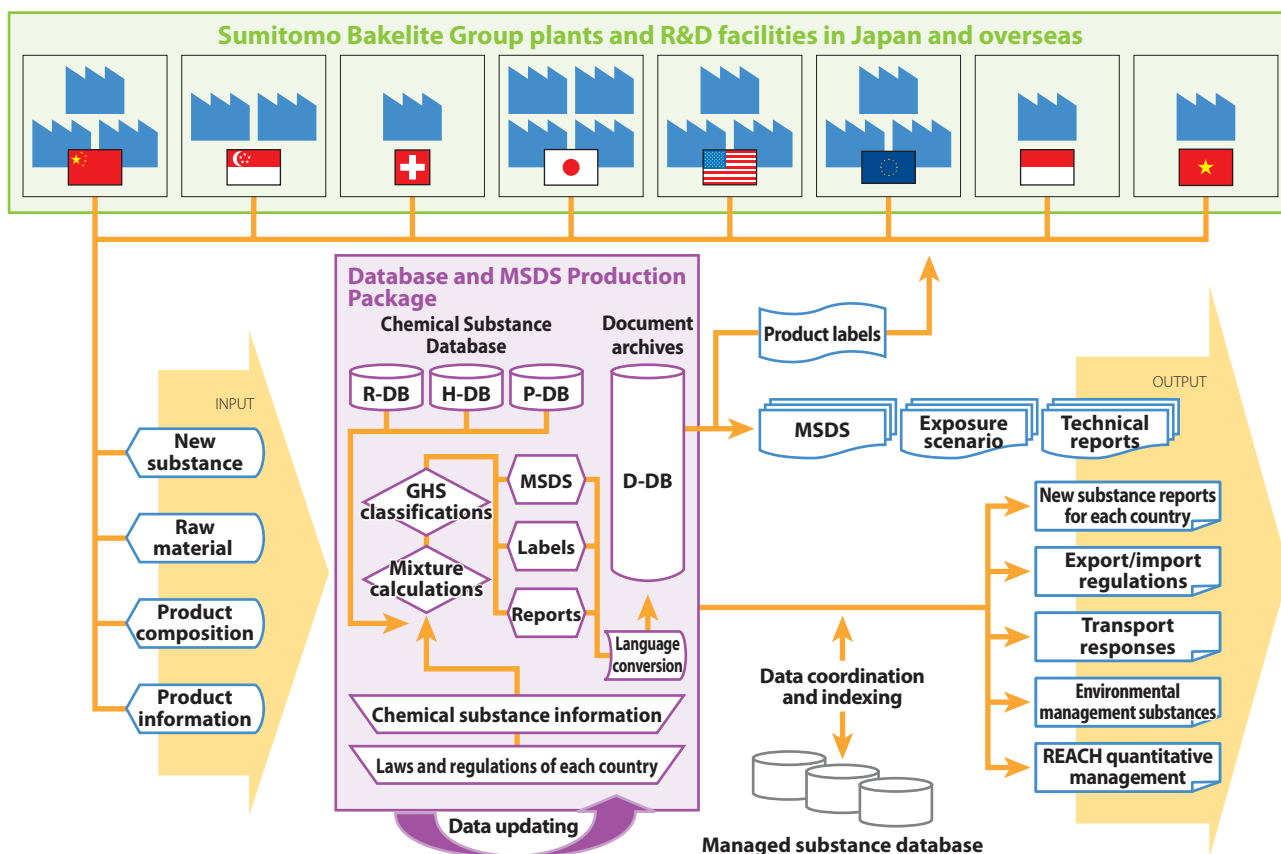
We have supplemented the system with the introduction of Material Safety Data Sheet (MSDS) authoring software that works

in tandem with the system's core database of chemical substance related laws and regulations. In accordance with domestic and overseas laws and regulations, the system is able to automatically perform products' GHS classifications and create and dispatch GHS labels for each relevant country and MSDS in each country's language. Going forward, we plan to continue improving the "Chemical Substance Integrated Management System" to enable responses to REACH and other global regulation systems as well as to green procurement-related and other needs of customers throughout the world.



A November 2008 training session held to prepare for the introduction of the MSDS authoring software

Overview of the Chemical Substance Integrated Management System



Voices of the People in Charge

To ensure the safety of chemical substances in Sumitomo Bakelite Group products and respond to diverse country-specific laws and regulations and to needs associated with customers' green procurement programs, we provide Chemical Substance Integrated Management System support for all operations from raw material procurement through product development and disposal.

We work while striving to quickly and accurately respond to developments in our complex and changing operating environment within the Group and outside the Group.

Environment & Recycling Department
Chemical Substance Management Group

