# Environmental Management

## Policy and Basic Approach

### Environmental Policy (Revised on April 2025)

We are committed to contributing to a society that strives for the Sustainable Development Goals (SDGs) by actively engaging in Responsible Care that prioritizes environmental protection, health, and safety. Through continuous improvement and evolution of our initiatives, we aim to enhance both social and corporate value.

1) We are committed to building a sustainable society by adapting to and mitigating the impacts of climate change. We strive to reduce greenhouse gas emissions, promote energy saving, and utilize renewable energy, all in line with Science Based Targets (SBT).

2) Recognizing the importance of our limited and precious water resources, we are committed to reducing water consumption and promoting reuse.
By preventing water pollution and rigorously managing wastewater, we aim to mitigate water risks, contributing to the conservation and sustainable use of regional water environments.

3) We are committed to building a circular economy by striving to circulate plastic resources, solve waste problems, and reduce waste through minimizing and optimizing resource usage. We also proactively pursue new initiatives based on 3R (Reduce, Reuse, Recycle) and sustainable resources (Renewable) to build a more environmentally friendly society.

4) We strive to reduce environmental impact and properly manage chemicals associated with our business activities to prevent air, water, and soil pollution, as well as noise and vibration. We also address emerging environmental challenges with sincerity, such as the micro- and nano-plastic problem, and continuously improve our efforts.

5) We consider biodiversity conservation a material issue and promote initiatives centered on local biotope activities. To broadly disseminate the importance of biodiversity conservation, we continuously engage in visiting guest lessons and dialogue with local communities utilizing biotopes.

6) We comply with the laws and regulations of each country through a real-time chemical management system that reflects chemical regulations. We also continuously strive to reduce and eliminate hazardous substances and substances of concern by reviewing the adoption of new raw materials.

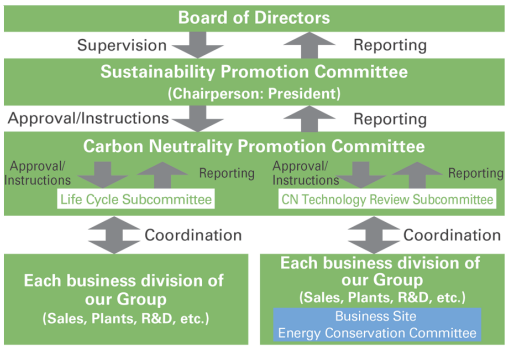
7) We comply with environmental laws, regulations, and other applicable regulations, and each employee is committed to a high level of compliance awareness.

**Scope of Application:** This policy is applied to the Group of Sumitomo Bakelite Co., Ltd., including all business sites as well as subsidiaries and affiliates both in Japan and overseas.

## Systems (Governance)

We solve social issues and aim to achieve sustainable growth and value creation under a structure comprising our Sustainability Promotion Committee (which is chaired by the President) and its subcommittees based on our Business Philosophy, which upholds the “Sumitomo Business Philosophy (basic policy)” and sets forth our management principles.
Environmental management involves running responsible care activities for voluntarily implementing and improving environmental and safety measures, in line with our Group’s policies, including the Policy on “Responsible Care Activities” and “Environmental Policy”.
Ensuring that measures are in place toward achieving carbon neutrality is deemed essential these days. To this end, the Carbon Neutrality (CN) Promotion Committee, which also encompasses the “Life Cycle Subcommittee” and the “CN Technology Review Subcommittee” , was established to strengthen and promote CN initiatives in the relevant sectors throughout the Group of Sumitomo Bakelite Co., Ltd.

**Environmental Management Organization Chart**



### Obtaining Environmental Management System Certification

Our Group has established environmental management system (EMS) based on ISO 14001 and continues to obtain certifications. For details, see the following link.

Management System Certification Status

**Proportion of Manufacturing Sites with ISO 14001 Certification**

91%: Based on net sales
72%: Based on number of sites

(As of March 31, 2025, proportion of sites that have acquired the certification among all manufacturing sites)

## Risk Management

The identification, assessment, and management of risks and opportunities related to environmental issues pertaining to our Group (including reduction of greenhouse gas (GHG), resource circulation, waste reduction, pollution prevention, conservation of water resources, biodiversity conservation, chemical substance management, etc.) are carried out in accordance with the risk management structure and risk management processes described on the following page.

Risk Management

## Metrics and Targets

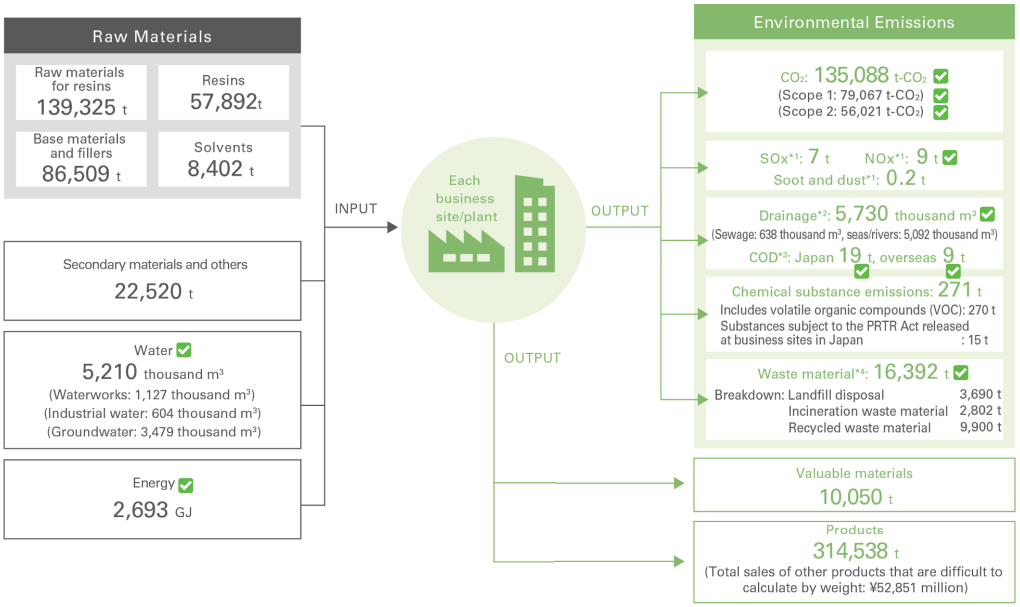
The metrics and targets for the environmental issues pertaining to our Group (reduction of GHG, resource circulation, waste reduction, pollution prevention, conservation of water resources, and chemical substance management) are described on the following pages.

Reducing Greenhouse Gas (GHG) Emissions
Resource Circulation, Waste Reduction, Pollution Prevention
Water Resources Conservation
Chemical Substance Management
Detailed Data related to Sustainability（Environment）

## Key Initiatives

### Material flows

The figure below shows inputs, including raw materials and energy, and outputs that are products and emissions released into the environment.
Our Group is working to minimize its impact on the environment by reducing waste disposed to the environment and reducing the use of raw materials, energy, and water from the perspective of resource-saving.
We are also promoting $CO_2$ emissions reduction to achieve carbon neutrality.
We are contributing to measures against climate change and particularly global warming through ongoing initiatives to reduce outputs that affect the environment to a minimum.




*1 See the Glossary SOx, NOx, and soot and dust are calculated using the Company's own formula based on exhaust gas analysis results, fuel usage amounts, and other variables. Includes only domestic data.

*2 The volume of drainage discharged into sewages is calculated based on the breakdown of total usage, and the volume of drainage discharged into seas/rivers is calculated from waste water flow meters and water intake volumes.

*3 COD is calculated based on the measured concentration and drainage volume. Data for overseas sites applies to sites where there is a legal obligation to perform measurements, and the types of oxidants (potassium dichromate is mainly used overseas) used for measurement differ from those used in Japan.

*4 The volume of hazardous waste found in our waste came to 5,203 t, and non-hazardous waste was 11,189 t.

## Investments in environmental protection

Our Group has compiled data annually on the amounts of investments in environmental protection of all Group companies in Japan since FY2000. In FY2024, a total of ¥900 million was invested. Since FY2020, we have been engaged in a full-fledged effort to adopt solar power generation based on our commitment to carbon neutrality, and we continued to phase it in at each of our business sites in FY2024.

We will continue to promote proactive investments in the reduction of $CO_2$ emissions moving forward.

### Amounts of Investments in Environmental Protection in FY2024

| Category | Investment amounts (million yen) |
|---|---|
| Emissions control | 549 |
| Energy conservation | 342 |
| Waste reduction, recycling, and treatment | 11 |
| Total | 901 |

### Accumulated Investments for Environmental Protection