

# Employment and Human Resource Development

## Policy and Basic Approach

### Recruiting and Employment

The Group's business activities would not be possible without its employees. In the belief that "recruitment and employment" are vital for our business to continue in a stable manner, we aim to secure the right personnel through new graduate and mid-career recruitment. A target of ensuring that 20% or more of newly graduated recruits are women has been defined, to promote the advancement of women. Current social circumstances will also be taken into consideration to raise starting salaries, with further improvements to be applied in a flexible manner.

In addition, we recognize that more active mid-career recruitment is required to improve the performance of the individuals and the organization by maximizing the personal attributes and capabilities of all members of our diverse workforce. Therefore, we have set the percentage of mid-career hires as a new KPI for material issues (non-consolidated, targeting career-track recruits). We will aim for 40% in FY2026 and 50% in Fiscal 2030.

These initiatives are being reported to the Sustainability Promotion Committee, which monitors, reviews, and makes changes to recruitment practices.

Details of the percentage of female management staff and percentage of mid-career hires can be found on the following page.

[DE&I Promotion](#)

### Human Resource Development

Our Group believes that the growth of each and every employee is a driving force behind the sustainable growth of our businesses. This is why we recognize human resource development as an important aspect of management.

We have clarified the type of people we are looking for, based on understanding our Group's basic policies and mission, and actively provide training to help them grow into employees who can think and act independently.

The education and training we provide for human resource development and the underlying framework is dubbed "SB School," and creates opportunities to learn and experience the skills required to achieve sustainable growth for our Group's businesses. It plans the educational program required by all grades of employees in all departments for business activities, and implements it in a systematic and scheduled manner to nurture talented personnel for businesses, with the aim of helping our Group achieve sustainable growth of business operations while maximizing corporate value.

As the development of each and every employee is considered the source of sustainable business growth, all registered employees are eligible to enroll in "SB School" courses, and can attend the school from the moment they join the Company until when they retire.

### Ideal Human Resources

The human resources we wish to cultivate are people who understand our Business Philosophy ("Our Company places prime importance on trust and sureness, and shall commit itself to contributing to the progress of society and enhancement of people's welfare and livelihood through its business activities"), Purpose ("Toward a sustainable society through expanding the potential of plastics"), and Vision ("We aim to be a 'company providing dreams for the future' through creating value with our customers"), and who can autonomously contribute to the sustainable growth of the Company.

Specifically, we seek personnel with the four characteristics listed below.

#### Key characteristics of the autonomously motivated personnel Sumitomo Bakelite Co., Ltd. seeks

1. People who are growth-oriented and have the drive to acquire new skills and knowledge necessary for their jobs;
2. People with a pro-reform stance who are not satisfied with the status quo, but are always looking for ways to do a better job;
3. People with a team-oriented approach who can combine their individual strengths with the strengths of those around them to deliver better results; and
4. People with professionalism who possess outstanding skills and know-how and can produce results through their work anywhere in the world

## Systems (Governance)

The Human Resources Development Department was established as a specialized department within the Personnel Division. Working with the personnel departments of each business site and subsidiary as well as corporate divisions, the Human Resources Development

Department promotes recruitment, employment, human resource development, and training. Important items are reported at the Sustainability Promotion Committee under the supervision of the Board of Directors.

## Risk Management

The identification, assessment, and management of risks and opportunities related to human capital pertaining to our Group (including recruitment/employment, human resource development and training) are carried out in accordance with the risk management structure and risk management process described on the following page.

[Risk Management](#)

## Metrics and Targets

Enhancement of Autonomy: 360° assessment-based training

We are expanding education using 360° assessment scheme in order to cultivate human resources who have a high level of autonomy to proactively solve problems and who can use that autonomy to create new value.

Enhancement of organizational strength: Management training

We will continue to strive to train managers who can boost the sense of unity within the whole organization as well as being flexible enough to adapt to any situation, in the current unpredictable business climate.

| Material issues             |                                     | KPIs   | FY2024 results | FY2030 targets |
|-----------------------------|-------------------------------------|--|----------------|----------------|
| Value creation accelerators | Human capital (Employee Activities) | Enhancement of autonomy: Number of employees participating in 360° assessment-based educational programs   | 52             | 70             |
|                             |                                     | Enhancement of organizational strength: Number of employees participating in management education programs | 58             | 70             |

Other quantitative information relating to recruitment/employment, human resources development and training

Please see the page below for details of quantitative information relating to recruitment/employment, human resource development and training.

[Detailed Data Related to Sustainability \(Society\)](#)

## Key Initiatives

The Group's in-house training institute, "SB School"

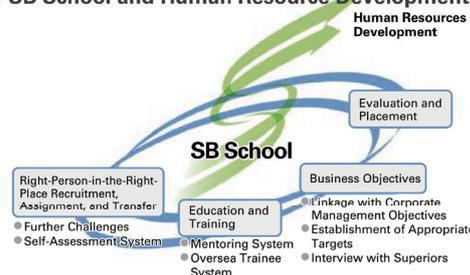
In September 2007, our Group opened "SB School" as an in-house training institute.

The aim of SB School is to provide lifelong education and training courses that help our Group achieve sustainable growth of business operations while maximizing corporate value. The school offers courses for all grades of employees from all departments. These include "all-employee education" courses that confirm and reinforce employees' awareness of the basic policy as well as fundamental knowledge about such issues as enhancement of CS, compliance, human rights, occupational safety, quality, and environmental protection. The school also systematically plans and implements various other kinds of educational and training courses needed by employees.

The chart below shows the number of participants in SB School and the total number of training hours each fiscal year.

Going forward, we will continue to plan and implement a variety of educational programs, working to develop the skills of our most valuable resource: our employees.

### SB School and Human Resource Development



|                        | April 2023 to March 2024 | April 2024 to March 2025 |
|------------------------|--------------------------|--------------------------|
| Number of participants | Approx. 67,000 employees | Approx. 76,000 employees |
| Training hours         | Approx. 77,000 hours     | Approx. 84,000 hours     |

● Education and Training Structure of SB School

| Grade                    | All-employee education  | Training by corporate divisions  | Special purpose training              | Education for each employee grade                          | Self-development support                |  |
|--------------------------|---|--|---------------------------------------|--|---|--|
| Executive Officers       | Basic policies/compliance<br>Safety<br>Quality<br>Environment<br>SDGs<br>Business and Human Rights/Management/Prevention/Training | <Research and Development><br>Data science, new product development (SBrno), material optics, etc.                                       |                                       |  |   |  |
| MG4/5 SPR                |   | <SBPS><br>Foreman training, thought process development, etc.  |                                       |  |   |  |
| MG3 PR                   |   | <Environment and Safety><br>Health and safety, LCA, chemical regulations, etc.   | Customer facing skills                | Education for managers (management)                        | Education for managers (leadership)     | Life plan education<br>Self-development (English conversation)<br>Correspondence courses |
| MG2                      |   | <Quality><br>Quality Control Manager training, OC basics, etc.   | Strategic scenarios                   | Education for line managers                                |   |  |
| MG1                      |   | <Intellectual Property><br>Patent information search, technical contracts, Japan Intellectual Property Association, etc.                 | Negotiating skills enhancement        | Management enhancement education                           | Leadership development education        |  |
| Site Leader, Team Leader |   | <Legals><br>Personal information management, confidential information management, security export control, etc.                          | Facilitation                          | Newly appointed MG1 education                              |   |  |
| Mid-career employees     |   | <Finance & Accounting><br>Credit and accounts receivable management, introduction to monthly account closing, basic accounting knowledge | Business writing in English           | Education for site leaders (performance/materials)         | Statutory education for superintendents |  |
| Second year employees    |   | <Human Resources, Employee Relations, and DE&I><br>Personnel evaluation, business goals, mental health, etc.                             | Presentations (performance/materials) | Logical thinking   | Education for mid-career employees      |  |
| New recruits             |   | <Information Systems><br>Digital transformation, information security, Excel utilization, etc.   | Marketing                             | Global mincset   | Mentor education                        |  |
|                          |   |  | Team-building                         | Education for employees in their third year in the Company | Follow-up education for new recruits    |  |
|                          |   |  | Education for new recruits            |  |   |  |

SB School course participation (FY2024)

| Type of course   | Number of participants | Educational aims   |
|--|------------------------|--|
| Education for managers (management)                        | 10                     | An educational course helping managers to discover opportunities within the workplace and bring out the maximum energy of the workplace to achieve goals, however the environment changes                                    |
| Education for managers (leadership)                        | 20                     | An educational course encouraging participants to reflect on their current position through a 360° survey and further developing their leadership skills as senior executives  |
| Education for line managers                                | 20                     | An educational course nurturing managers capable of autonomously guiding the direction of the organization and aligning the vectors of the whole organization to produce results   |
| Leadership development and education                       | 10                     | An educational course encouraging participants to reflect on their current position through a 360° survey and further developing their leadership skills as managers   |
| Management enhancement education                           | 22                     | An educational course teaching effective workplace management by comparing management principles with their own actions  |
| Newly appointed MG1 education                              | 34                     | An educational course for employees promoted to MG1, to encourage them to think about the role expected of management employees and to change their awareness and behavior   |
| Education for site leaders                                 | 17                     | An educational course for superintendents and team leaders of each office to think about acting as a leader and incorporating that on-site   |
| Education for mid-career employees                         | 28                     | An educational course enabling younger personnel to reflect on themselves and gain new insights through a 360-degree survey as they enter the stage in which they drive the Company forward as young to mid-career employees |
| Mentor education   | 38                     | An educational course clarifying the role of a mentor, promoting self-confidence and awareness as a leader   |
| Education for employees in their third year in the Company | 26                     | An educational course for looking back on the previous two years, sharing experiences to date, and gaining insights for making the third and subsequent years with the Company more fulfilling                               |
| Follow-up education for new recruits                       | 31                     | An educational course enabling new employees to reconsider their own strengths and weaknesses through a review of their first year, and to encourage further growth in their second year and beyond                          |
| Education for new recruits                                 | 31                     | An educational course to create a foundation for new employees to become active members of the workplace after they are assigned jobs  |
| Life plan education  | 82                     | An educational course enabling employees approaching retirement to examine what they need to be aware of in order to further enhance their careers and learn to plan for life after retirement                               |

## Manufacturing-oriented SBPS education

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SBPS activities originally began as an offshoot of on-site kaizen (improvement) activities but are now implemented throughout the Company in order to “generate the values demanded by customers and society”. The activities are aimed at securing the revenue and safety (personnel, facilities, environmental, and quality) that our Company requires to achieve sustainable development. The activities involve setting specific targets (financial, quantitative, and delivery), planning who needs to achieve each of these targets by when, and implementing these plans without delay, meaning the activities are just the same as the daily work tasks carried out by employees.

We believe that, through the ages, technical capabilities, knowledge, experience, and tireless will that each individual has who promotes these activities will always bring about our required results. Based on this idea, we have organized educational programs targeting each employee grade and level as part of the SB School system. The planning and operation of the education is in principle carried out by employees themselves.

Attendees are required to submit reports, and the emphasis is placed on putting what they have learned into practice in their own departments. Regular follow-ups are carried out to track their progress. One of the grade-specific programs is the senior foreman training course to develop the “next generation of plant managers and overseas site managers” who will be responsible for plant operations with a view to our Vision 2030. The program includes lectures about the perspectives, ways of thinking, and methods that plant managers should know, as well as practical training covering plant inspections and proposing solutions to problems, implemented over a period of six months. Between 2010 and 2016, this training course was held seven times and 75 participants took part. In 2024, the course was held for the first time in eight years, with 10 participants.



Participants performing a plant inspection

## Quality control skill enhancement

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We offer nine quality-training programs at our SB School to increase our employees’ awareness of quality, to prevent quality problems, and to improve quality techniques. November every year is designated as “quality month,” and quality education via e-learning is provided for all employees.

In-house quality education is provided early in the careers of employees assigned to the research and production engineering departments, mainly aimed at second-year employees in the engineering track. This involves lectures and practical training in areas such as the Company’s quality policy and approach to quality assurance, regulations, quality management systems, problem-solving methods (FTA, FMEA, Why-Why Analysis, and Further Investigation), and statistical methods. Administrative employees were also included in the eligible group for receiving education in areas such as quality in general, regulations, and management systems.

In the current era of VUCA, which is highly volatile, uncertain, complex, and ambiguous, we have enhanced the curriculum of the “Quality Control Manager Training Course” with the aim of developing human resources capable of making appropriate judgments in each emergent situation that cannot be handled by experience alone. We put effort into securing personnel who will be immediately effective as quality control managers.

In addition, we are promoting activities toward visualization, analysis, and utilization of big data to respond to an age in which process information is provided with big data due to the progress of IoT.

## Environmental education

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Our laboratories and plants handle a wide range of chemical substances. We conduct periodic group education programs for employees, including new employees, with the objective of protecting the environment in the vicinity of our business sites and ensuring that employees work in safety. These programs are designed to enhance employees’ understanding of the properties of chemical substances and the content of relevant laws and regulations, thus enabling them to handle chemical substances appropriately.

Separately to these group education programs, we conduct environmental e-learning for all employees every year in June, a month dedicated to enhancement of environmental protection. Employees learn about our environmental activities, initiatives by our Group, and what is happening in Japan and other countries with regard to biodiversity.

These days, more and more companies with global operations are disseminating information centered on sustainability. After learning about and outlining the relationships between sustainability and SDGs, CSR, Responsible Care, ESG, etc., participants learn about and deepen their understanding of the various environmental and safety-related activities that we are involved in.

R&D and Tech Day held

In November 2024 we held “R&D and Tech Day 2024,” a technical discussion to share information about technology across the boundaries of the various departments and businesses that we operate with the aim of enhancing our overall Group-wide technological capabilities. This was a hybrid event combining online and in-person attendance. Over 300 employees from Japan and overseas took part over four days, mainly from the research, production, marketing, and sales departments. More than 1,400 employees watched the event. We plan to hold another R&D and Tech Day in FY2025 with a similar format.



Advanced Materials Research Laboratory selected for the Award for Excellence

“Gemba Kaizen” Activity Presentation meeting held

“‘Gemba Kaizen’ Activity Presentation 2024” was held in May to present successful outcomes of daily improvements at each business location in a hybrid format with on-site participation and online streaming. Nearly 400 people attended, mostly from domestic and international production departments.



Sumitomo Bakelite (Shanghai) Co., Ltd. selected for the Award for Excellence

Welcoming the next-generation to internships and factory visits

In order to support the growth of the next generation of students, we proactively accept student interns and also welcome students to company briefings and site visit events (factory tours) to aid their understanding of our business and the work carried out at our production plants.



Head Office  
Welcoming students from Tsukuba University of Technology for internships



Vaupell Molding & Tooling, Inc.  
Factory tours for high school students studying engineering



Shizuoka Plant  
Work experience for people with disabilities



Durez Corporation  
Welcoming local chemistry students for internships



SB-Kawasumi Laboratories, Inc.  
Head Office and Tonomachi Medical Research Laboratory  
Welcoming high schools in Oita Prefecture to company tours as a school trip



P.T. Indopherin Jaya  
Welcoming internships

## Engagement Survey

We are implementing measures to achieve the “top share in niche markets” in the functional chemical sector and expand the scale of business, with the aim of becoming a company providing dreams for the future through creating value for our customers by expanding the potential of plastics. We believe that identifying the current situation pertaining to individuals and organizations, and then taking action to resolve any issues, is essential for making these measures more effective.

We will continue to conduct engagement surveys as a tool for ongoing improvement for individuals and organizations. The fourth survey will be conducted in September 2026.