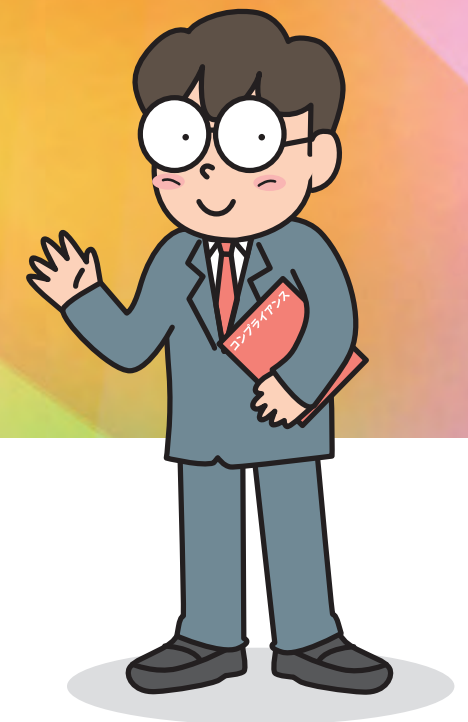


# Handbook on the Code of Ethics for Group of Sumitomo Bakelite Co., Ltd.

◆ SUMITOMO BAKELITE CO., LTD.



## Business Philosophy

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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.

## Our Code of Conduct

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1. We contribute to the realization of a sustainable society and provide products and services that satisfy our customers.
2. We conduct fair and transparent business activities in accordance with laws, regulations and corporate ethics.
3. We are committed to a safe working environment and maintaining and promoting good health.
4. We actively promote efforts to preserve the global environment.
5. We respect the human rights of all those involved in our group's business.

## To All Members of the Group of Sumitomo Bakelite Co., Ltd.

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The Group of Sumitomo Bakelite Co., Ltd. exists within its relationships with its various stakeholders, including customers and business partners. In the conduct of our business activities, we must understand and meet the expectations of these diverse stakeholders. Amid these social demands, the Code of Ethics for Group of Sumitomo Bakelite Co., Ltd. was established in 2022 to serve as a specific ethical code that executives and employees of the Group of Sumitomo Bakelite Co., Ltd. must follow in the conduct of business.

The content of this policy is based on the Group's Business Philosophy and our Code of Conduct, which serves as a standard for conducting business activities.

If you are unsure of how to approach a decision in the context of your work, please refer to the information in this handbook to ensure that you act appropriately.

The "Business Philosophy" of Sumitomo Bakelite Co., Ltd. defines our management philosophy and reflects the Sumitomo Business Spirit, which has endured for approximately 400 years since the foundation of Sumitomo in the 17th century. Our mission is to place prime importance on trust and sureness and contribute to society through the conduct of our business. Use this handbook to understand the Code of Ethics for Group of Sumitomo Bakelite Co., Ltd., and strive to meet the expectations of society.

President and Representative Director

*K. Fujiwara*

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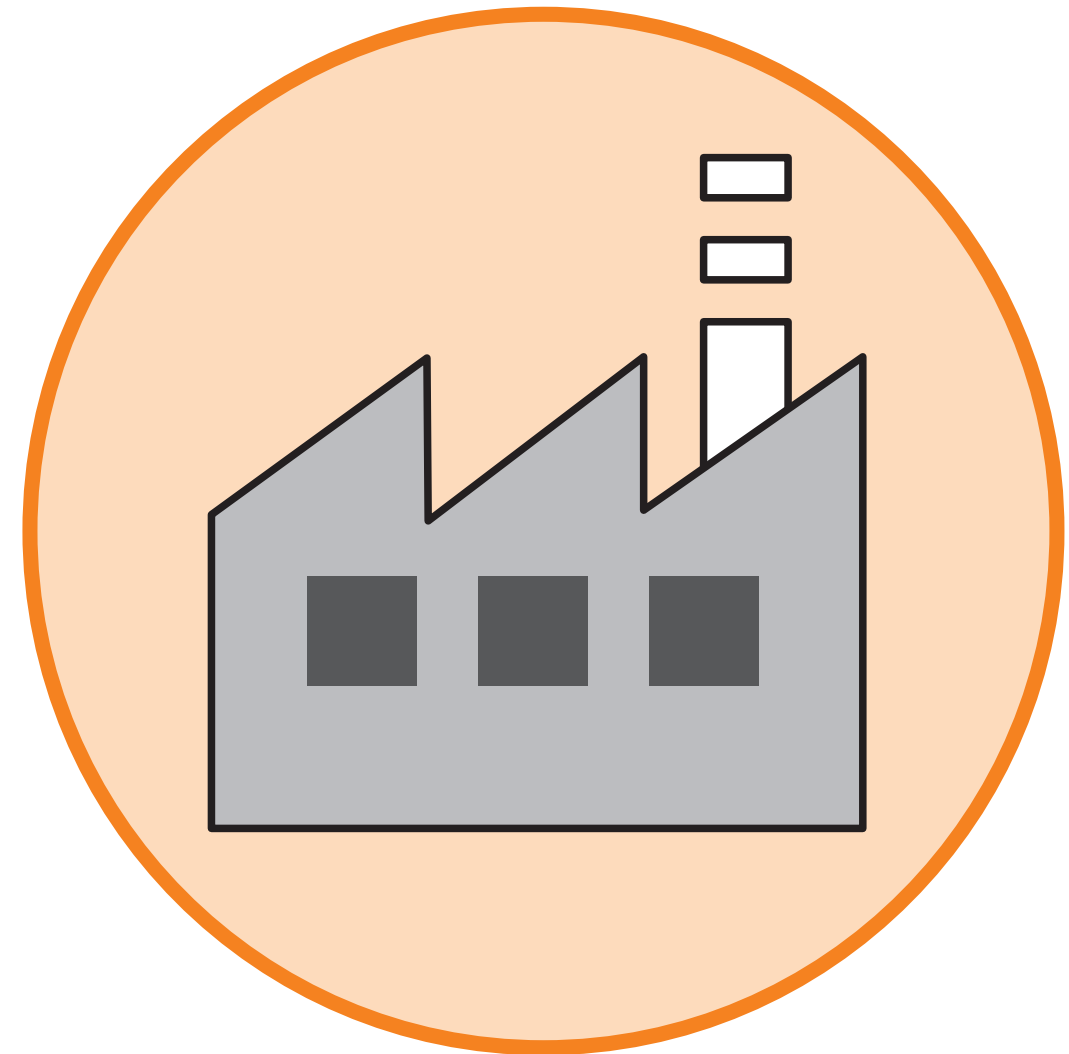
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# I

## **Product and Service Responsibilities**

(+ Responsibilities to Business Partners)





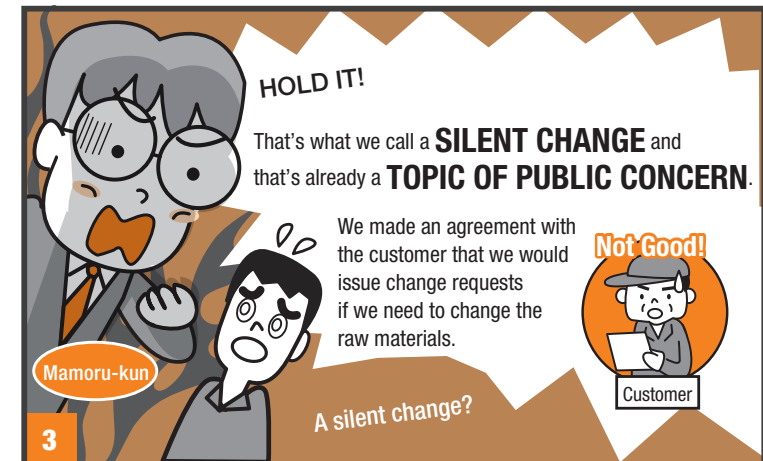
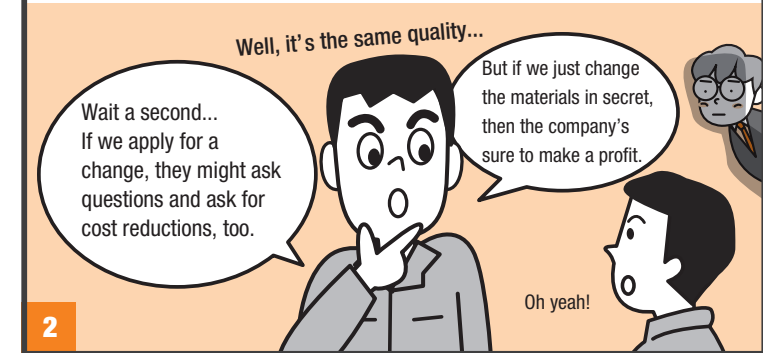
# 1. Appropriate Quality Control

- We will develop, produce, inspect, and ship products in accordance with the procedures stipulated by laws and internal rules.
- We will not ship products that do not conform to predetermined specifications. Additionally, we will not use raw materials that do not conform to predetermined specifications.

In order to make P/L improvements, Mr. A has been inspecting new raw materials that offer the same quality as the current materials but cost 20% less.



Having gotten the feeling that the new materials were basically equivalent to the current ones, Mr. A, who was preparing to raise a material change request with the customer, came up with an idea.



Later, Mr. A raised a material change request with the customer—and the material was actually rejected in one of their tests.



Example: Appropriate Quality Control

## 2. Prohibition of Data Falsification and Data Fabrication

- We will not falsify numerical values and data related to quality, performance, and safety, or any other numerical values and data acquired in the course of business, nor will we fabricate such numerical values and data that have not been acquired in reality as if we have acquired them.



Example: Prohibition of Data Falsification and Data Fabrication

### 3. Fair and Appropriate Labeling and Representation

- We will use fair and appropriate labeling and representation in accordance with laws, regulations, and public order and morals, and we will eliminate any inappropriate labeling and representations that may mislead our customers in their perception of facts and in their proper selecting of products and services from catalogs and technical materials related to our company and product/service.

### 4. Understanding and Compliance with Licensing Procedures

- If we have an obligation to obtain licenses or approvals from government agencies and/or make notifications, reports, etc. to government agencies, we will ensure our understanding of the contents and procedures concerning the applicable licenses and approvals, notifications, reports, etc., and fully comply with them.

### 5. Prompt and Appropriate Response to Problems

- In the unlikely event that a problem arises with the safety of our group's products or services, we will put the safety and health of end users first and, in cooperation with our business partners, take all possible measures promptly to prevent the occurrence or spread of accidents.



Example: Fair and Appropriate Labeling and Expression



# II

## **Human Rights and Work Environment Responsibilities**

(+ Responsibilities to Business Partners)





# 1. Prohibition of Discrimination

- We will not discriminate in any way based on sex, age, nationality, ethnicity, race, religion, ideology or creed, sexual orientation or gender identity, or disability. We also do not tolerate such discrimination.

# 2. Prohibition of Harassment and Violence

- We will not engage in harassment or behavior that hurts others, whether mentally or physically. We also do not tolerate such harassment or hurtful behavior.

# 3. Prohibition of Child Labor and Forced Labor

- We will comply with the employment laws and regulations of each country or region. We will not engage in “child labor,” i.e. the act of having those under the minimum working age stipulated by laws and regulations of the country or region in which we are located, or “forced labor,” i.e. work done against the will of the worker. We will not tolerate child labor or forced labor.



Example: Prohibition of Harassment and Violence

## 4. Creating a Comfortable Workplace

- We will appropriately manage and record working hours, holidays, and vacations in accordance with laws, regulations, and work regulations.
- We will seek to maintain and improve good labor-management relations, and work together to create a comfortable workplace.
- We will respect the culture and values of each country and region, and we will be considerate of religious events, customs, and so on.
- At each workplace, we will strive to create an environment in which employees can freely and openly express their opinions on the execution of duties, human resource development, and improvement of the workplace culture.
- We will support the balance between work and private life (work-life balance) by enabling various working styles and utilizing various leave systems. We will also support employees who are pregnant, giving birth, raising children, or caring for family members, by giving consideration to their individual circumstances and providing support throughout the workplace.
- We will not engage in political activities, religious proselytizing, product or service solicitations, or any other activity that is not related to our duties on company's premises or during working hours.



Example: Creating a Comfortable Workplace

## 5. Occupational Health and Safety Management

- We will adhere to our safety philosophy of “Safety is the first priority of all” and make our best efforts to prevent industrial accidents.
- We will ensure our safety and the safety of our fellow workers by understanding and complying with laws and regulations concerning occupational health and safety, as well as internal rules and procedures concerning occupational health and safety management. We will also strive to ensure occupational health and safety not only for our own employees, but also for all parties concerned, including suppliers and subcontractors.

### Safety Philosophy

Safety is the first priority of all

### Machine Safety Guidelines

Ensure a safe design that prevents you from putting your hand in moving equipment.

### The Safety Action Guidelines

- 1 When equipment is moving, do not put your hand in it.
- 2 When abnormality occurs, stop, call, and wait.
- 3 When changing 4M, review rules and take action.

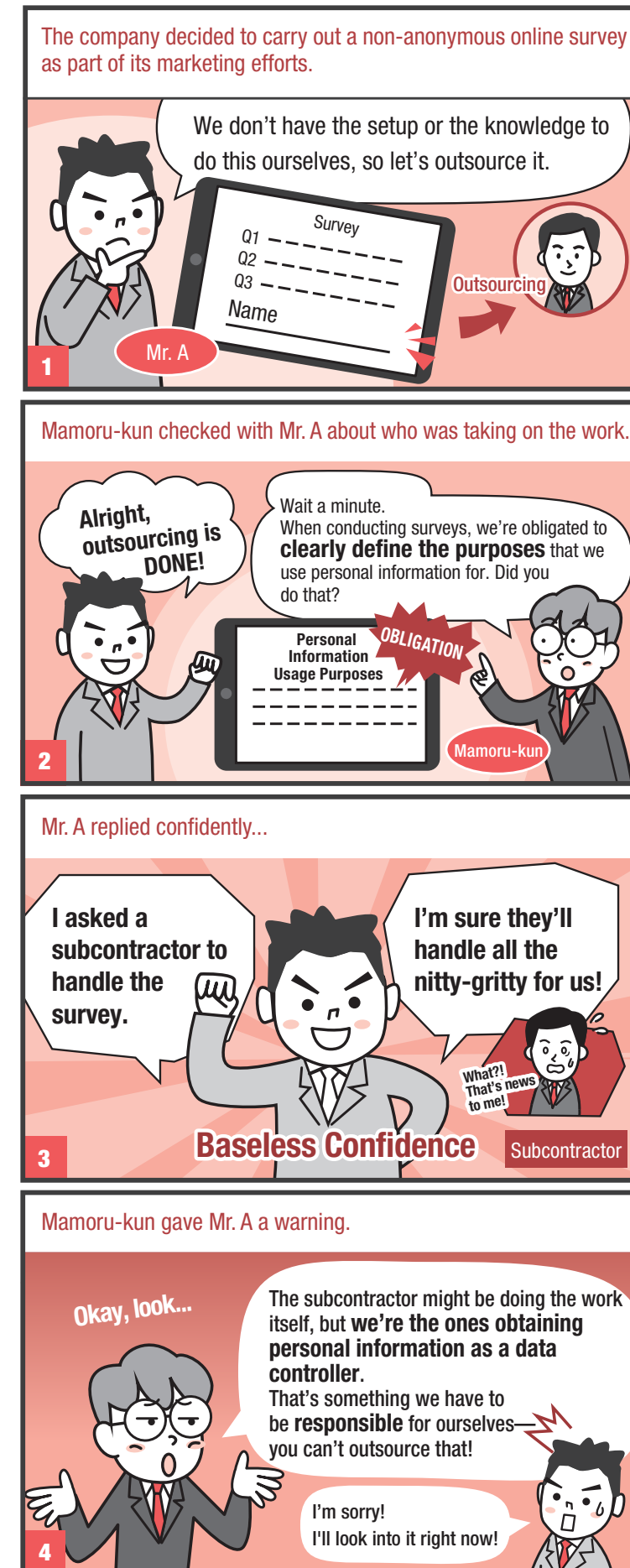


Example: Occupational Health and Safety Management



## 6. Respect for Privacy and Protection of Personal Information

- We will respect the privacy of individuals, recognize the importance of protecting personal information, and appropriately manage and handle personal information in accordance with laws and internal rules concerning the handling of personal information.



Example: Respect for Privacy and Protection of Personal Information

# III

## Responsibilities to Society



# 1. Compliance with Competition Law (Antitrust Law, etc.) and Implementation of Fair and Appropriate Transactions

- We will comply with the trade regulations of competition law (antitrust law, etc.) and engage in business activities based on fair, transparent, and free competition.
- We will never enter into agreements or exchange information with our competitors regarding sales conditions, such as prices, quantities, shares, and customers of our products and services, which may affect free competition.
- As a general rule, we do not contact our competitors. Even when we have a legitimate purpose for contact with competitors, such as participation in an industry association or consideration of manufacturing consignment or license, we will keep such contact with competitors to the minimum necessary and will not exchange information with them for any purpose other than the original purpose. In such cases, we will record date and time, the parties involved, the content of the conversation, and so on. Furthermore, if there are internal rules and procedures regarding contact with competitors, we will follow those rules.
- We will not require distributors to maintain resale prices, except where permitted by law.
- We will not abuse superior bargaining positions to make unreasonable demands of our business partners.



Example: Compliance with the Competition Law



## 2. Prohibition of Bribery/ Restrictions on Exchange of Gifts and Entertainment

- We will not, either directly or through third parties, such as agents, provide any bribe or conduct any provision of goods, money, or other benefits to any public officials, officers and employees of state-owned enterprises, politicians, etc. (hereinafter referred to as "public officials, etc.") for the purpose of obtaining any wrongful gain in business. If we receive a request for a bribe from public officials, etc., we will firmly refuse such requests.
- We will ensure that the value of gifts or entertainment provided to business partners does not exceed the scope of ordinary social norms in business practices.
- We will not demand the provision of money or other benefits from our business partners.
- If any business partner makes an offer to provide a gift or entertainment to us and such gift or entertainment is excessive considering ordinary social norms in business practices, then we will decline such offers.
- When we make donations or political contributions, we will follow the procedures set forth in laws and internal rules to ensure that they are not mistaken for bribery or collusion with the politics and government.

Mr. A's division was looking for a local consulting company in order to apply for a new business license in Country S.

Hey, this "Company T" seems like a pretty good option compared to the other local consultants. I'll give them a shot!

Mr. A

1

Later, Company T sent a higher-than-market-price quote for consulting fees for the application process.

Quote  
¥5,000,000

That's way too steep...  
Hmm...

2

Finding this suspicious, Mr. A checked in with Mamoru-kun.

Is this really how much it costs to apply?  
Looks like we need to look into Company T.

Mamoru-kun

3

The investigation revealed that Company T was paying bribes to the licensing authority.

Client → Appoint → Company T → Bribe → Licensing Authority

Higher invoice to cover bribe  
Prioritizes the process

I'm not going to get involved with Company T.  
Good thing we didn't end up using an illegal contractor, eh?

4

Example: Prohibition of Bribery

### 3. Compliance with Export and Import Laws

- We will comply with applicable security trade control laws and regulations and internal rules based on these laws to ensure that the goods we export and the technology we provide are not used to develop or manufacture weapons of mass destruction or conventional weapons that can be used to threaten international peace and security. In particular, we will exercise due caution with regards to whether or not the goods or technology to be exported fall under export-controlled items, and whether or not the destination, user, or use to which the goods or technology is regulated by law and regulations as a national security concern.
- We will comply with applicable customs laws and other applicable laws and regulations when making export and import declarations, and conduct appropriate import and export procedures without making false declarations.
- We will appropriately label products with the country of origin in accordance with the laws and regulations of the destination.

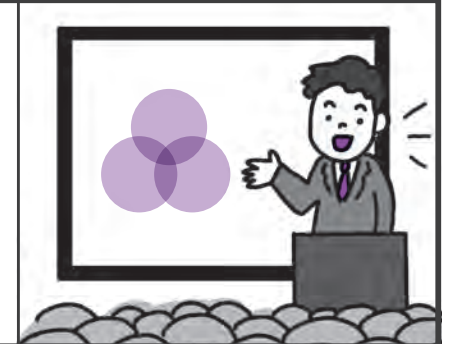


Which of the following types of technology provision is subject to security trade control laws?

① **Transfer of manufacturing to overseas affiliates and inviting employees of overseas affiliates to Japanese factories for technical guidance**



② **Presentations at overseas exhibitions and academic conferences**



③ **Provision of material SDS (Safety Data Sheets) to overseas suppliers and issuance of inspection results**



The correct answer is ①!  
The provision of non-public technology overseas is subject to security trade control even when done within the Group.



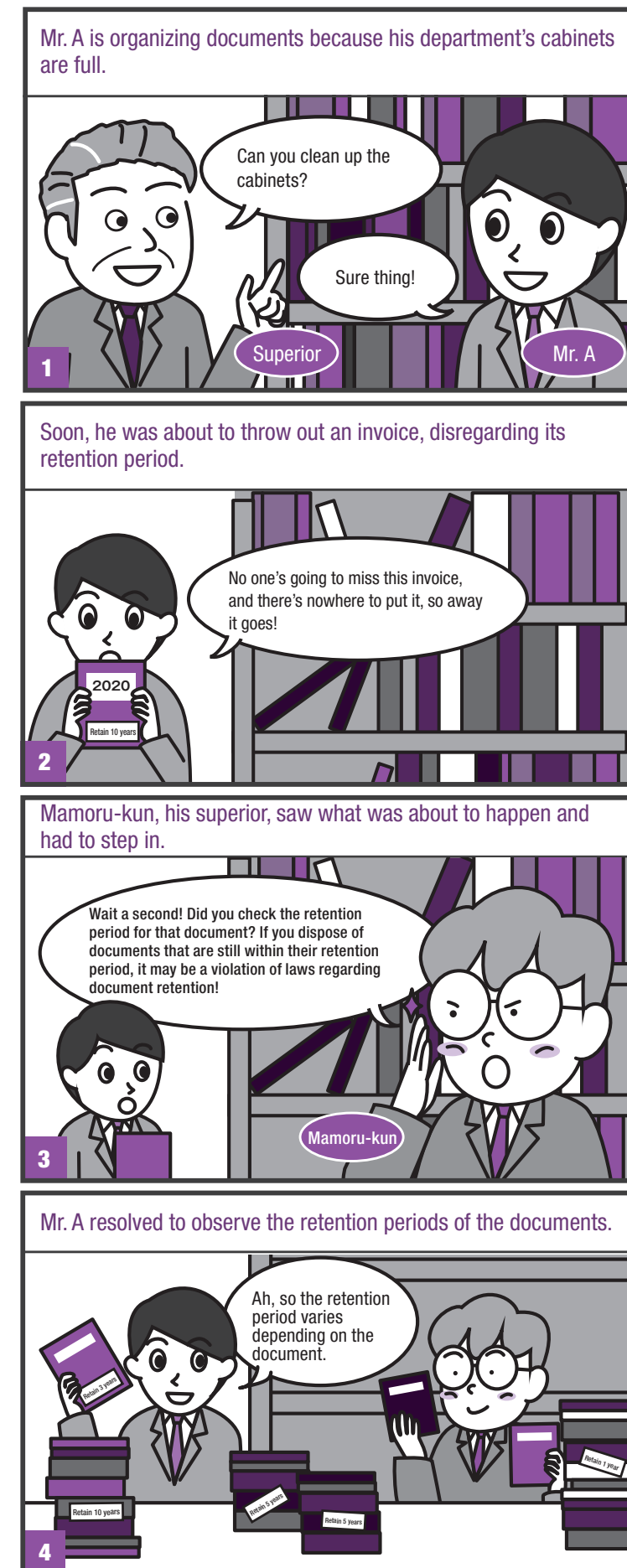
Example: Compliance with Export and Import Laws and Regulations

## 4. Compliance with Money Laundering and Terrorist Financing Regulations

- We will comply with the applicable laws and regulations that regulate money laundering and terrorist financing. We will exercise due caution in order to prevent our group from being used for money laundering or terrorist financing in the course of doing business.

## 5. Proper Accounting and Retention of Transaction Records

- We will create, report, and keep accurate and factual business records. We will claim expenses based on accurate records and reports.
- We will faithfully respond to internal audits, external accounting audits, and tax investigations, and strive to provide accurate information.



Example: Proper Accounting and Retention of Transaction Records



## 6. Timely and Appropriate Information Disclosure

- We will disclose important information that may affect our financial results and corporate performance in a timely, appropriate, and accurate manner in accordance with laws, regulations, and internal rules.

## 7. Prevention of Insider Trading

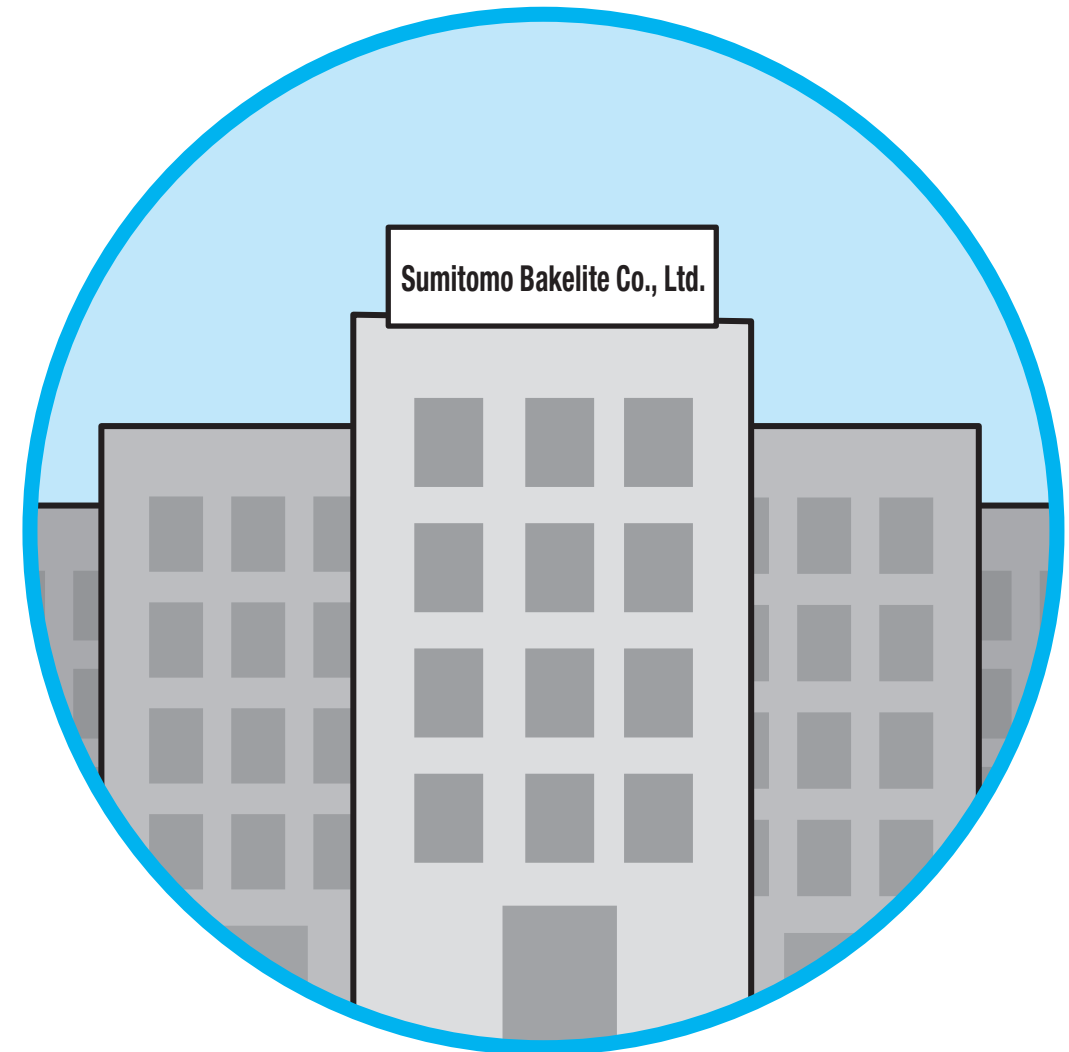
- We will not conduct insider trading of our company's or other companies' stocks, etc. either by ourselves or through others (such as our relatives, friends etc.) from the time we become aware of undisclosed information that may have a material impact on the stock prices, etc. of our company or other companies (insider information), until the official announcement of such insider information. In addition, we will not share insider information regarding our company or other companies with any persons other than those who need to know such information to conduct our business.



Example: Prevention of Insider Trading

# IV

## **Responsibilities Concerning Company Assets**



# 1. Restrictions on Competitive Activities and Conflict-of-Interest Transactions

- We strive to act and make decisions in the best interests of our group in the conduct of our business. We do not engage in competitive activities or conflict-of-interest transactions that place the interests of ourselves, our relatives and friends above those of our group in the conduct of our business.
- We will not engage in any competitive activities or conflict-of-interest transactions (typical examples include, but are not limited to, the following) without the prescribed prior approval procedures.

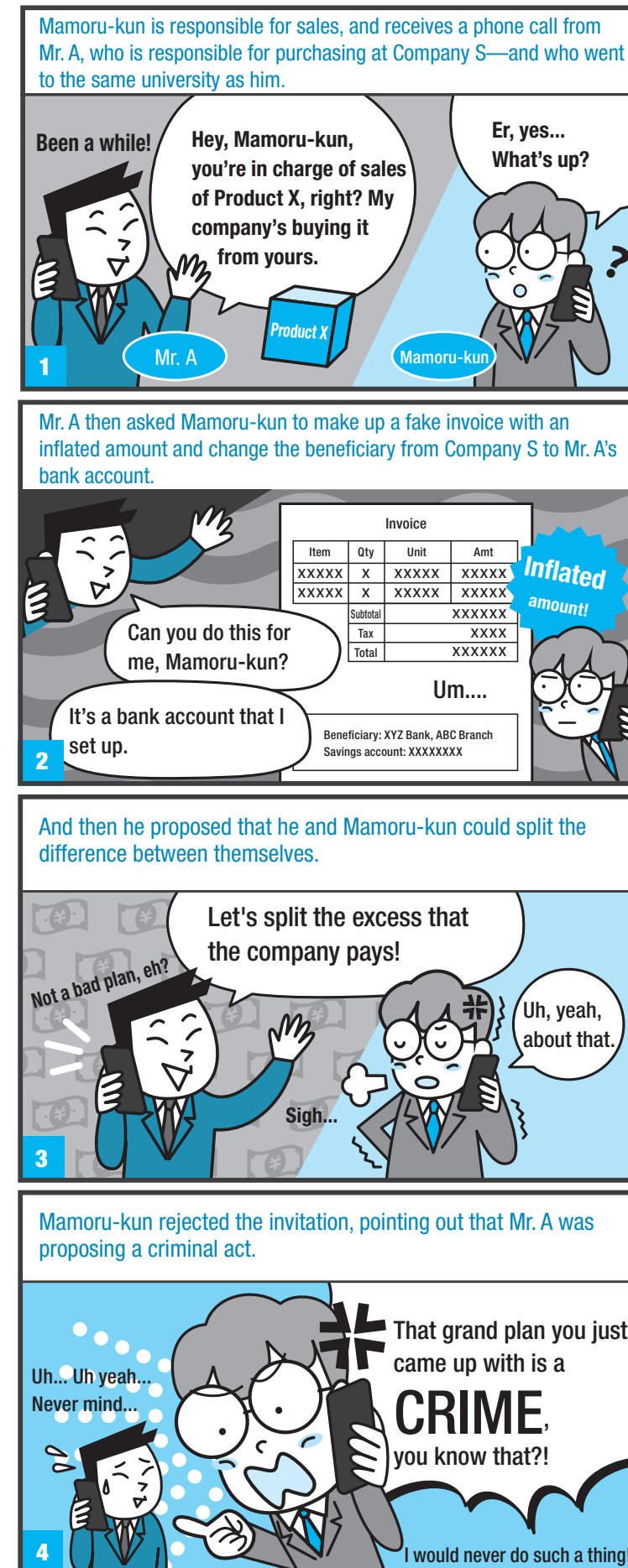
### Example of competitive activities:

Becoming executive director, officer, employee, or consultant to one of our group's competitors or business partners

### Example of conflict-of-interest transactions:

Giving work to any entity that is owned or managed, directly or indirectly, by ourselves or friends and relatives

- We will not receive kickbacks by giving preferential terms to our business partners or unfairly raising prices.

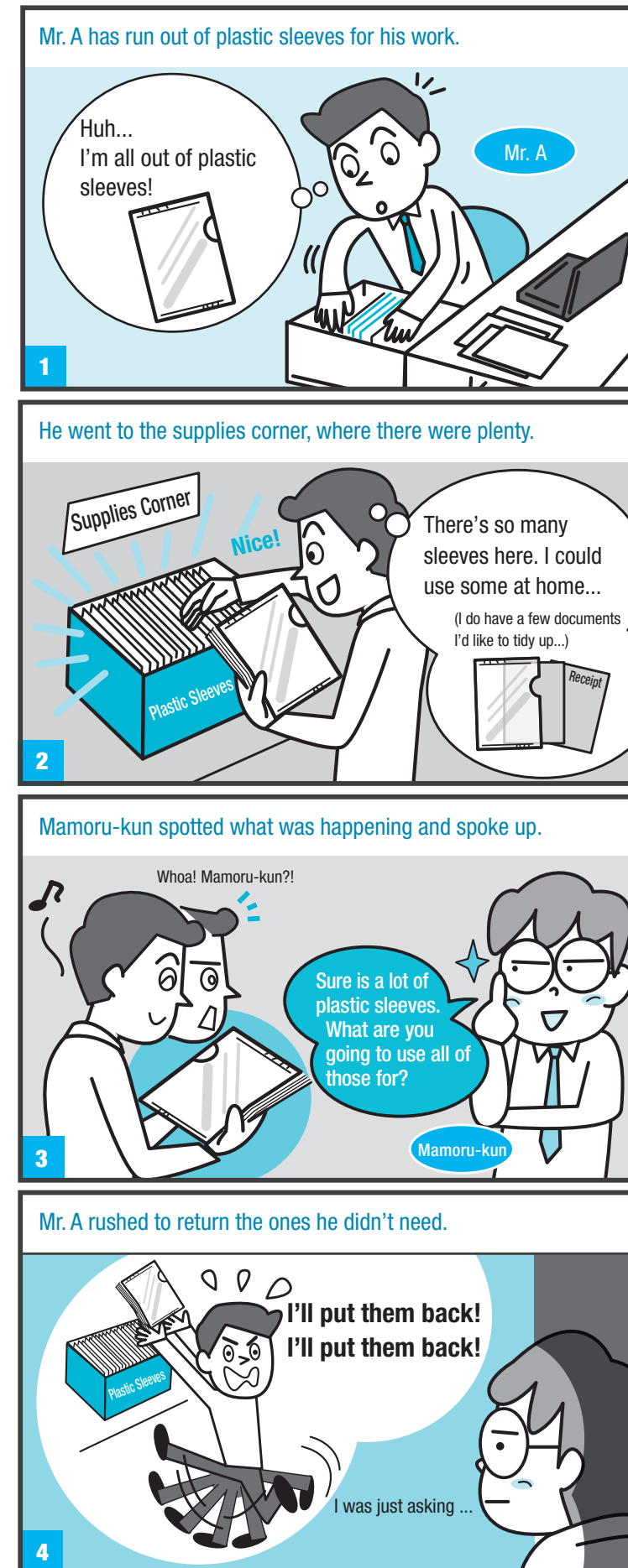


Example: Restrictions on Competitive Activities and Conflict-of-Interest Transactions



## 2. Prohibition of Misappropriation of Company Assets

- We will not use company assets (cash, deposits, securities, cash vouchers, products and raw materials, automobiles, office equipment, IT equipment, facilities equipment, etc.), whether tangible or intangible, for personal use or for any other improper use.



Example: Prohibition of Misappropriation of Company Assets

# V

## **Information Management Responsibilities**

(+ Responsibilities to Business Partners)



# 1. Confidential Information Management and Information Security

- We will fully respect the rights and value of both our confidential information and that disclosed to us by others.
- We will take appropriate measures to protect confidentiality, such as entering into a confidentiality agreement, through prescribed procedures, before disclosing our own confidential information to others.
- We will acquire confidential information to which others have rights only when it is necessary to do so in the course of our business, in a fair and appropriate manner in a fair and appropriate manner in line with proper business practice, and we will not acquire such information by improper means.
- We will manage and handle confidential information appropriately in compliance with laws, regulations, and internal rules so as not to damage our company or others through leaking or misuse.
- We will exercise due caution against increasingly sophisticated cyber-attacks, and strive to use IT devices appropriately to prevent information leaks due to cyber-attacks or misuse.



Example: Confidential Information Management and Information Security



## 2. Protection of Intellectual Property and Brands (1)

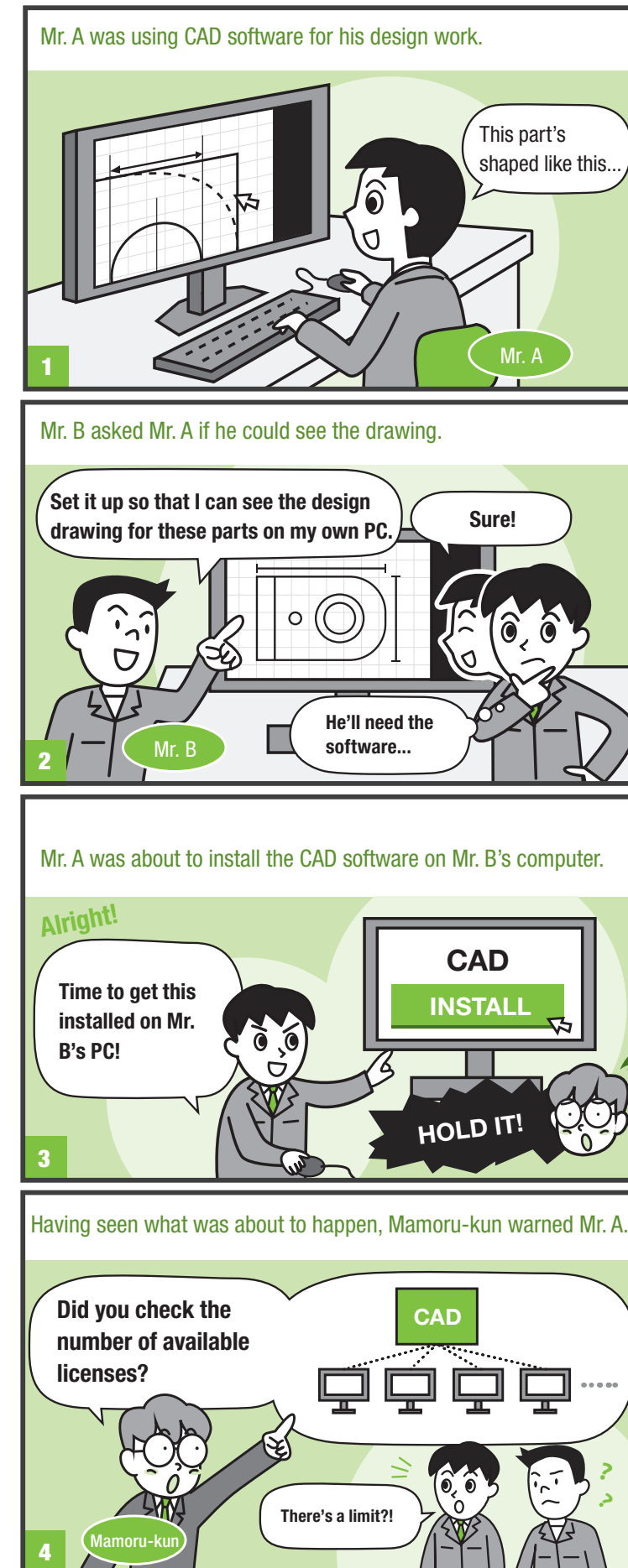
- We will recognize intellectual property created in the course of business as a valuable management resource for our group, and we will appropriately promote the acquisition of intellectual property rights and maintain confidentiality regarding the content of inventions, know-how, etc. prior to the acquisition of such rights, based on contracts and internal rules.
- We will appropriately use our group's company name (trade name) and product names (trademarks) owned by our group in accordance with laws, regulations and internal rules, and strive to eliminate unauthorized use of such names by third parties.
- We will conduct prior investigations of other parties' intellectual property rights in research, development, design, production, and sales of new products and technologies in order to prevent infringement of other parties' intellectual property rights and to promote the smooth operation of business, and if there is any doubt, we will take countermeasures.



Example: Protection of Intellectual Property and Brands

## 2. Protection of Intellectual Property and Brands (2)

- We will not copy, install, or use commercial software in a manner that violates the terms of the software's license agreements. We will not make unauthorized use of third-party copyrighted materials (text, diagrams, photographs etc. in books, magazines, and websites).



Example: Protection of Intellectual Property and Brands

# Group of Sumitomo Bakelite Co., Ltd. Compliance Reporting System

## Whistleblowing System

Conduct that violates laws or company rules  
(harassment, data falsification, bribery,  
private or improper use of company assets, etc.)

Don't keep it bottled  
up. **Let us know.**

\* Your information will be protected.



## Who can use the Compliance Reporting System?

All directors, officers, employees (including part-time staff, contract workers,  
temporary workers) in group companies of Sumitomo Bakelite Co., Ltd.  
Stakeholders of the Group of Sumitomo Bakelite Co., Ltd (business partners, etc.)

[Click here](#) for details of the system and the report form.

Sumitomo Bakelite Co., Ltd. Whistleblowing

Search



## 1. Internal Report Contact

General Manager, Internal Audit Department of Sumitomo Bakelite Co., Ltd.

**Email** compliance@ml.sumibe.co.jp  
(Will be automatically forwarded to only General Manager,  
Internal Audit Department)

**Mail** Tennoz Parkside Building, 2-5-8 Higashi-Shinagawa,  
Shinagawa-ku, Tokyo  
140-0002, Japan

## 2. External Report Contact

Attorney at law in charge of "Compliance Reporting System" of Sumitomo  
Bakelite Co., Ltd., Tamiya Gohdoh Law Office

**Email** bcl60683@nifty.com

**Mail** Prudential Tower 3F, 2-13-10 Nagata-cho, Chiyoda-ku,  
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100-0014, Japan