

# 2023 Sustainability Report



**BAKELITE**  
SYNTHETICS



# Table of Contents

## **SUSTAINABILITY AT BAKELITE SYNTHETICS**

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Message from our President and  
CEO, JP Aucoin

About Us

Bakelite Synthetics  
Core Values

Our Global Reach

About this Report

Message from our EVP, Business  
Process and Sustainability,  
Andrea Croslyn

Our Sustainability Path

Stakeholder Engagement

Sustainability Materiality  
Assessment

Our 2030 Sustainability Goals

Supply Chain Sustainability

## **ENVIRONMENTAL IMPACT**

---

Environmental Management  
Systems

Energy and Emissions

Water Quality and Wastewater

Residuals and Waste  
Management

Materials and Innovation

Circular Economy

Recognition and Certifications

## **SOCIAL IMPACT**

---

Occupational Health and Safety

Employment

Associate Development

People and Belonging

Community Engagement

## **GOVERNANCE**

---

Corporate Governance: Board  
leadership and ESG governance

Ethics and Code of Conduct:  
anti-corruption and human rights

Supplier Relations

Risk Management

Data Privacy and Compliance

Looking Ahead: Next Steps in 2024  
and Beyond

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## **APPENDIX**

2023 GHG Inventory • Global Reporting Initiative (GRI) Content Index  
Forward Looking Statements • Disclaimer





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# Sustainability at Bakelite Synthetics

# Message from our President and CEO, JP Aucoin

**Looking back on the last few years, I am proud of Bakelite's journey to become a successful and thriving company. While meeting the many changing needs of our customers – and doing so safely – we also made great progress towards our Environmental, Social and Governance (ESG) goals.**

Our success comes from the collective strategic vision set forth by our board and leadership, guiding our actions and decisions to align closely with the core values that define us.

As we seek to deliver innovative and sustainable products that meet the world's most challenging demands, we expanded our global footprint and reach with the acquisition and integration of LRGB's Longueuil site in Canada in 2023. Everything points to a strengthening of our position as a global leader in the chemical resins industry, dedicated to making a difference in the world today and in the future.

After more than two years since starting our journey to become a global organization, I continue to be inspired by how we embody our *OneBakelite* culture. It is the sum of our unique backgrounds, experiences and contributions that

makes Bakelite Synthetics the global partner of choice for companies in more than 75 countries.

Nothing we do is worth doing unless it is performed safely. Acting safely and with integrity remains a core value and at the center of everything we do. From our new safety campaign to launching our first-ever Associate Engagement Survey, we understand that honest, respectful, insightful communication and listening are important building blocks that make Bakelite Synthetics stronger and even more competitive.

In our 2023 Bakelite Sustainability Report, you will learn more about how the organization is driving sustainability forward in our business.

Our newly-established 2030 goals reflect our sustainability aspirations that we intent on achieving.

From sourcing renewable energy, to reducing and repurposing raw materials, to strengthening our governance and policy processes, to listening to our associates and providing them a workplace environment where they can

show up as unique individuals, poised to maximize their potential, Bakelite Synthetics is well-positioned as a leader in the chemical manufacturing industry.

In closing, I want to express my sincere appreciation to our associates, stakeholders, and partners. The dedication, hard work and belief in our mission and sustainability vision have been instrumental in all that we have achieved so far. Together, we are creating a better tomorrow with sustainable and innovative chemistry today.



**JP Aucoin**  
President and CEO





# About Us

**Bakelite Synthetics is creating a better tomorrow with sustainable and innovative chemistry today.**

For more than 100 years, our dedication to exploring the infinite possibilities of next-generation synthetics has helped to improve and protect the planet and people's lives. As a global integrated producer of thermoset specialty resins, systems, and engineered thermoset molding compounds, our trailblazing innovation has not only made homes stronger and transportation safer but has also taken us to new heights—including ventures into space.

Safety and integrity are at the core of everything we do. This approach helps us meet the needs of our customers, attract exceptional talent, and support the communities where we operate. Our entrepreneurial spirit, commitment to our values, and focus on sustainability are essential elements of our identity, embedded in our processes and products.





# Bakelite Synthetics

## Core Values



### WE DO THE RIGHT THING

We say what we mean and we do what we say. Everything starts with integrity and working ethically.



### WE LIVE "SAFETY FIRST"

It's personal, and each of us is accountable. Our work is never more important or urgent than performing it safely. We stand for sustainability and the elimination of all environmental, health, and safety incidents.



### WE CREATE VALUE

For our customers, associates, vendors, community, and shareholders. We use ingenuity to overcome obstacles and have a bias towards action.



### WE BUILD TRUST

It unleashes our individual and collective strengths to work collaboratively and in a boundaryless way. We own our results, and we commit to the good of the whole.







Sustainability at  
Bakelite  
Synthetics

Environmental  
Impact

Social Impact

Governance

Appendix

# Our Global Reach

With more than 1,500 associates working together across 20-plus manufacturing sites, we are meeting the needs of customers in more than 75 countries. Bakelite Synthetics, with headquarters in Atlanta, Georgia is trusted for the highest-quality of phenolic resins and molding compounds available. Our global product portfolio features cutting-edge, next-generation technologies in heat resistance, surface hardness, dimensional stability, chemical resistance, and electrical insulating properties.

**1,500+ Associates**  
**20+ Manufacturing sites**  
**12 Countries**  
**75+ Countries Served**

## NORTH AMERICA

Albany, OR	Decatur, GA
Atlanta, GA (HQ)	Eugene, OR
Beaver Creek, MI	Louisville, KY
Columbus, OH	Longueuil, QC
Conway, NC	Lufkin, TX
Crossett, AR	Riegelwood, NC
	Taylorville, MS

## SOUTH AMERICA

Concepción, Chile  
Concordia, Argentina

## EUROPE

Barry, United Kingdom  
Botlek, The Netherlands  
Cowie, United Kingdom  
Frielendorf, Germany  
Iserlohn-Letmathe, Germany  
Kitee, Finland  
Lantaron, Spain  
Solbiate, Italy



# About this Report

This report outlines the most significant Environmental, Social, and Governance (ESG) operations and activities of Bakelite Synthetics for the calendar year 2023, key sustainability initiatives for 2024, and our aspirations for 2030. Our objective is to ensure transparency in our management and measurement of progress toward meeting our sustainability objectives and fulfilling stakeholder expectations. This report also contains forward-looking and aspirational statements regarding targets, plans, strategies, and objectives.

The content was guided by our ESG materiality assessment completed in 2022 which identified topics that are important to both our stakeholders and the sustainable growth of our business. There have been no significant changes to the business that would require an updated materiality assessment.

The report was prepared with reference to the Global Reporting Initiative (GRI) and the UN Sustainable Development Goals (SDGs).

We contracted WAP Sustainability Consulting to provide limited assurance over greenhouse gas emissions data for 2023, covering Scope 1, Scope 2, and Scope 3 emissions. The verification was conducted in accordance with ISO 14064-3:2019 and aligned with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard to ensure the accuracy, reliability, and objectivity of the data.





# Message from our EVP, Business Process and Sustainability, Andrea Croslyn

**As we move forward in our journey, Bakelite Synthetics is viewing the future through a new lens with sustainability.**

We made substantial progress in our sustainability journey during 2023. We continue to make improvements to every part of the business, everything we do, when we look through the sustainability lens. This affords us considerable opportunities but also requires us to take a disciplined approach. Every company is wrestling with how to prioritize the many opportunities to drive sustainable improvements. For Bakelite Synthetics, our prioritization can be distilled into three main focus areas: curious exploration, sustainability infrastructure, and stakeholder engagement.

We are empowering associates to explore what sustainability means for them, and letting their passionate curiosity uncover new value opportunities in our business. You will see associate highlights

throughout this report where Bakelite associates are using their giftedness to drive sustainable improvements in renewable energy, the supply chain, EHS, and more. We're empowering and trusting our teams, allowing us to make fast strides in sustainable improvements.

Being able to measure what we do in new and robust ways from two acquisitions in the past two years, across 20+ plant sites, is critical. As we make improvements to our infrastructure and standardize our metrics, we can better see translation opportunities and where to apply resources. In our data-rich day in age, we will continue to focus on data management so that we can make good business decisions quickly.

At the end of the day, the work that we do in sustainability can and should also drive profitability. We believe that those two things are not mutually exclusive, and we are focusing on the opportunities that

drive value for our customers, the planet, and Bakelite Synthetics. As we deeply engage with our stakeholders, we together uncover new ways to drive shared value.

Thank you for engaging with us. We're so excited to share our progress with you in this report.

**Andrea Croslyn**  
Executive Vice President,  
Business Process and  
Sustainability







# Our Sustainability Path

During 2023, we have all been inspired by the opportunities to further our commitment to sustainability.

Engaging with stakeholders, we are exploring new opportunities to create value for ourselves and our customers. We continue to build on the foundational elements of our Environmental, Social and Governance (ESG) approach, with some of our key highlights across the business shown here.

## Corporate Key Highlights 2023

- **Scope 1, 2, and 3 baselines established and verified for 2022**
- **Inaugural sustainability report**
- **EcoVadis Bronze certification**
- **Sustainability Town Halls for internal communication**

## Environment Highlights

- Named U.S. Environmental Protection Agency (EPA) **ENERGY STAR program partner**
- **Renewable energy initiatives** at four sites
- **Water map model** piloted at two sites to assess overall water mass balance
- **High-stress water** areas preliminary assessment
- **New supply chain initiatives tracker**

## Social Highlights

- Created a framework for Employee Resource Groups (ERG) at Bakelite, and launched our first ERG, the **Bakelite Women's Network**
- **First annual Associate Engagement Survey** rolled out to all associates with an overall 70% completion rate
- More than 80% of our sites participated in a **Community Service** project
- Launched "We Are Bakelite," an internal **advocacy and education** program

## Governance Highlights

- Launched the **Responsible Care®** program in North America, and certified in Argentina to enhance safe chemicals management and performance excellence
- **ISO 27001 Information Security Management System** certification in progress
- **New policies and governance process** harmonized and implemented globally
- **Improved reporting and metrics** developed for sustainability performance tracking





# Stakeholder Engagement

**Bakelite Synthetics strives for the highest standards of sustainable performance aligned with our stakeholder expectations.**

We engage in ongoing sustainability dialogue to ensure our goals match those of our diverse stakeholders. Sustainability initiatives are communicated in a transparent and timely manner, with topics of importance identified and areas for improvement actioned, so that we can stay on track and deliver on our ambitions.

**Investors:** ESG is increasingly becoming a differentiating factor for investors. As we continue to improve our performance and definitively demonstrate our progress through rigorous data, we strengthen our appeal to our investors.

**Associates:** We value the spirit and passion our associates bring to work each day. Sustainability at Bakelite Synthetics fosters a strong sense of purpose, communicated in 2023 through Town Halls and other internal communications, all to inspire our teams to innovate and create tomorrow's

technological breakthroughs. As you'll see throughout this report, we engaged our associates in a number of new ways this year, including our inaugural Associate Engagement Survey. Additionally, we convened leaders at our Atlanta headquarters to progress our ESG roadmap. Discussions focused on a variety of topics covering manufacturing, environment, health and safety (EHS), and research and development (R&D). The outcome of this successful meeting was to focus on progressing the *OneBakelite* culture initiative, and advance our efforts to incorporate sustainability into the R&D process and new product pipeline.

**Customers:** Our customers ask for innovative and sustainable products, and we work closely with them to invest in creating value-adding solutions. In 2023, we commercialized resins for various markets based on bio-renewable raw materials with up to 50% carbon footprint reduction compared to equivalent fossil raw feedstock technology. Already, the resin is helping to drive significant reductions in greenhouse gas emissions.



**In 2023, Bakelite's Acme, North Carolina team received perfect scores for both quality and on-time delivery, resulting in an overall Gold supplier rating from BAE Systems' Partner 2 Win/Achieving Operational Excellence program. This makes it Gold for the Acme team three years in a row. Since 2020, the team has repeatedly hit top marks in the program, providing year-over-year supplier excellence for BAE across all of Bakelite's products.**

**Suppliers:** At Bakelite Synthetics, we are engaging with suppliers to explore opportunities that positively impact the environment and deepen our partnerships. We work with our suppliers on many areas of sustainability such as exploring bio-renewable raw material sources, implementing recycled and reused



packaging, and optimizing logistics to lower emissions related to raw material transportation.

**Community:** We believe in strengthening the communities in which we live and work, both with the people who live near our operations and the industrial neighbors with whom we collaborate and share resources. Whether supporting educational initiatives, fundraising, supplying emergency equipment, or volunteering at charitable events, we embrace being an active and positive member of our local communities. Across our global operations, we continue to support organizations such as the Balthasar Children's Hospice in Olpe, Germany, and the Bernardita Serrano Children's Home in San Pedro de la Paz, Concepción, Chile.

**"We are always looking to be more sustainable and to accommodate the market demand for more environmentally friendly products."**

**Barry Canipe**  
Executive Vice President  
and Chief Financial Officer





# Sustainability Materiality Assessment

**Bakelite Synthetics actively engages with stakeholders through the topics identified in our ESG materiality assessment.**

Our materiality assessment helps identify and prioritize our activities and inform our corporate strategy and ESG reporting, guided by the Global Reporting Initiative (GRI) Reporting Principles. We conducted our materiality assessment in 2022 and there have been no significant changes to our business since then.

The topics are not only critical to our stakeholders but also support our sustainability mission. Our approach to determining materiality involves analyzing current industry trends, evolving ESG practices and standards, comprehensive risk assessments, and benchmarks against industry frontrunners. Our approach helps rank the importance, potential risks, and opportunities of these topics.

The ESG Advisory Committee, which is formed of key leaders from Bakelite Synthetics, reviewed the outcomes of this assessment. Their insights were instrumental in enhancing our ESG strategies. We remain committed to regularly revisiting and updating our approach, ensuring it aligns with stakeholder expectations and contributes positively to our sustainability goals.



Environmental  Social  Governance/Economic 



# Our 2030 Sustainability Goals

During 2023, we completed the baseline analyses of our global operations that allowed us to set our 2030 goals. Our sustainability strategy remains focused on energy, water, waste, safety, and governance, which provide a comprehensive framework to prioritize actions and initiatives.

In the short term, we seek to continue progressing several important projects that have been a focus over the last year, including:

- **Energy:** Multiple projects in progress to improve our Scope 2 emissions, including energy reduction projects, on-site solar, and steam turbine capabilities
- **Circular Economy:** Finding opportunities to use more sustainable sources, and increase the reuse of packaging, where possible
- **Products:** Evaluate and accelerate sustainability attributes into our product portfolio, aligned to the needs of our customers
- **Community:** Continue to contribute to the communities where we live and work, including a better understanding of the impact of our engagement.

With a future focus, we have established our 2030 goals as forward-looking ambitions that will help sharpen our sustainability effort, increase our impact, and ensure we continue to contribute to a better, safer, and cleaner world.

## BAKELITE SYNTHETICS 2030 SUSTAINABILITY GOALS



**Energy:** Reduce energy intensity by 10%, against a 2023 baseline.



**Water:** Reduce water intensity by 10%, against a 2023 baseline.



**Waste:** Reduce waste disposal intensity by 10%, against a 2023 baseline.



**Safety:** Reduce Occupational Injury and Illness Rate (OIIR) to 0.5.



**Governance:** Implement a sustainability management system (SMS) to measure, manage and report our progress in sustainability.





# Supply Chain Sustainability

**At Bakelite Synthetics, we expect our suppliers to align with our core values, particularly in areas of sustainability, associate welfare, and robust safety programs.**

Our Code of Conduct for Suppliers and Other Third Parties communicates the types of systems and measures we ask to be implemented by all suppliers and third parties doing business with Bakelite Synthetics. Additionally, we encourage our suppliers to implement programs such as Responsible Care® and EcoVadis. We also expect our suppliers to uphold the highest standards of ethics and integrity in all business dealings, and to promote compliance against applicable international and local laws and regulations.

Bakelite procurement engages in annual sustainability benchmarking exercises of our supplier base. We update our sustainable procurement initiatives and best practices to ensure that we are continuously pursuing sustainable procurement in our industry and communities in which we operate.

Bakelite Synthetics strives to act as a trusted corporate citizen by making continuous improvements and working in partnership with suppliers to promote environmental care and responsibility. Bakelite Synthetics



regularly holds safe handling trainings, Responsible Care workshops, and sustainability summits in partnership with our sites and supplier partners.

In terms of sustainability, together with our suppliers, we are focusing on the emissions associated with raw materials production, transportation, and packaging. Through exploring innovative ways to implement new processes and thinking, we are helping to reduce the environmental impact of the raw materials we purchase.

Outlined below are some examples of our supply chain sustainability initiatives during 2023.

## **Production: Bio-renewable Raw Materials**

Our procurement and supply chain teams are invested in identifying new bio-renewable raw materials for replacement of fossil-fuel based ingredients in our formulations. Today, 6% of Bakelite Synthetics products contain a bio-renewable raw material, but we still have work to do. In North America, we have switched to purchasing a 100% bio-based ingredient for one of our key raw materials, used in wet strength applications, moving away from its more traditional fossil-fuel ingredient. This bio-alternative offers a 67% lower global warming potential and consumes on average (i.e. lb for lb comparison) 61% less energy, reducing



our emissions by ~11,340 tons of CO<sub>2</sub>e annually. In Europe, we are working with customers to incorporate lignin, a by-product from the paper industry that provides an alternative to traditional fossil-based materials, helping reduce emissions. See the Materials and Innovation section in this report to learn more about our products with sustainable attributes.

**Transportation: multimodal logistics and delivery**

In the United States, our site in Conway, North Carolina signed up to be a part of one supplier’s sustainability pilot program. This program aims to track the transport emissions of raw materials by utilizing GPS data to optimize delivery routes and volumes. This innovative logistics solution allows for the calculation and assessment of carbon emissions for various alternatives of transport. Initial results have shown that in some scenarios switching from trucks to rail cars can potentially save over 192 tons of CO<sub>2</sub>e annually.

During 2023 at our plant in Kitee, Finland, we also began implementing alternate delivery options, such as receiving containers directly from the port into our plant. By making this change, we have avoided additional handling and transport emissions which previously were incurred due to the containers first being received at our supplier’s storage facility before final

delivery to our sites. Also, we are looking at reducing the import of raw materials at several plant locations globally, choosing more localized options. This will reduce our overall emissions from transportation, as well as reducing delivery times to provide extra flexibility for our supply chain.

As we continue to explore and verify the various benefits of these logistics options, we can begin to translate these into more sustainable solutions and enhance our supply chain strategies.

**Packaging: recycled content and recycling**

In 2023, our procurement and supply chain teams implemented new packaging projects leading to a reduction of over 120,000 tons of carbon emissions on an annual basis. Collaboration was facilitated and progress monitored through a newly established global tracker for carbon and monetary savings. This mechanism is also providing visibility globally for the translation of new best practices in sustainable packaging.

At our sites in Iserlohn-Letmathe, Germany and Barry, United Kingdom, we worked closely with our supplier Schütz to implement their new Green Layer intermediate bulk containers (IBCs). These IBCs are produced with recycled content, which has reduced our CO<sub>2</sub>e emissions by 25 tons annually. We also began the 2024 approval

process to rollout Green Layer IBCs at our sites in Solbiate, Italy and Lantaron, Spain, in a move which offers additional reductions. Looking beyond 2024, our goal with Schütz is to optimize our global IBC collection and further reduce our impact.

During 2023, our site at Solbiate also switched to a stretch packaging film comprised of 60% recycled polyethylene. Plastic film secures our raw materials onto pallets for transportation, and this recycled content film saves 13 tons of CO<sub>2</sub>e annually. In addition to the film, Solbiate also began purchasing recycled pallets in place of new wooden pallets and implemented a pallet-sharing scheme with our site in Iserlohn-Letmathe, Germany. Future collaborations between these sites may also include the recycling and sharing of packaging bags, saving additional materials, emissions and cost.







## Associate Highlight

**Eric van Seuren**, Bakelite's Director of Global Procurement, continually looks for innovative opportunities to support sustainable improvements in our global purchases. Eric's deep experience, easy-going manner, and highly collaborative style make it easy for team members around the world to collaborate with him on identifying new sustainable solutions for their plant sites.

On the utilities side, Eric supported the engineering projects that will deliver reductions in utility consumption. Eric worked with our sites in Barry, United Kingdom and Lantaron, Spain for the implementation of on-site solar, as well as with our Kitee, Finland facility which is entering a power purchase agreement for solar energy.

On the packaging side, Eric collaborated with the European local teams and Bakelite's main supplier of intermediate bulk containers (IBCs), Schütz, to explore the feasibility of transitioning to their Green Layer IBCs. An innovative solution, the Green Layer IBCs retain an outer and inner layer of virgin material, but most importantly the IBCs feature a third inner dividing layer made from 30% recycled content. This three-layer design reduced CO<sub>2</sub>e emissions by 25 tons in 2023. Eric's goal is to eventually roll out this reduced-impact IBC packaging system across all our sites in Europe, and then to the Americas. This is an important step toward reducing the carbon footprint of our packaging processes.



**"I'm really delighted that we, as a procurement team, can add value and through our effort achieve Bakelite's ESG goals and reductions in our carbon footprint."**

**Eric van Seuren**  
Director of Global Procurement







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# Environmental Impact



**“At Bakelite Synthetics, we are working to minimize our environmental impact. We regularly review production processes, analyze potential risks and impacts, and use the data and insights to drive improvement initiatives and new technologies across the organization.”**

**Debora Costa**  
Vice President, Environment,  
Health and Safety

## **Addressing environmental impact is embedded in the business strategies, operations and risk management of Bakelite Synthetics.**

As a company that creates products across multiple markets and applications, we take our responsibility to be stewards of the environment seriously. We remain focused on diligently mitigating our impact across energy consumption, waste reduction, and water management. For product research and design, we continually seek to innovate the most environmentally responsible technologies. We strive every day to create a safe and sustainable environment for ourselves, our customers, and our global communities.





# Environmental Management Systems

**The Environment, Health, and Safety (EHS) Global Management System (GMS) of Bakelite Synthetics covers environmental, industrial hygiene, safety, process safety, and security and plant protection.**

Our EHS GMS system plays an important role in helping us to harmonize and integrate best practices at our sites worldwide. We are continually improving our global EHS management system, sharing learnings and best practices across our business and updating policies and procedures accordingly. For our associates, we provide training and qualification programs to equip them with EHS skills and knowledge ranging from legal compliance to risk assessment to working safely in the field. Following recent acquisitions, we took the opportunity in 2023 to review best practices and standards across Bakelite Synthetics. The global review led us to harmonize over 45 standards

to minimize potential risk to our employees and the potential impact on local communities and the environment.

In 2023 we also worked to set up global dashboards incorporating key metrics from every plant site, with a user friendly interface that allows our associates to explore the data, create graphs at the push of a button, and export data for further analysis. This provides our associates with the power of the data at their own fingertips, for faster project execution and best practice translation. Additional metrics will be added to the current dashboard platform in the coming years.

Also, we continue to promote regional and site-specific level certification such as ISO 14001 and Responsible Care®. Seven of our sites in Europe already hold ISO 14001, with our Cowie, United Kingdom site working toward certification this year. And in 2023, our Concordia, Argentina site obtained the Responsible Care® certification.





# Energy and Emissions



During 2023, we implemented many initiatives that increase energy efficiency, source low-carbon energy, and help tackle emissions that lead to climate change.

We continue to mitigate our impact by identifying and sharing best practices to reduce our total energy consumed. For renewable energy and the sourcing of low-carbon energy alternatives, we have ongoing feasibility studies, including site-level energy assessments, to identify additional opportunities for reducing our impact.

We transparently track our greenhouse gas (GHG) emissions. More details regarding our GHG Inventory can be found in the Appendix.

Sustainability at  
Bakelite  
Synthetics



Environmental  
Impact

Social Impact

Governance

Appendix

## 2023 GHG EMISSIONS



**2,076,685**  
MT CO<sub>2</sub>e

**6%** **SCOPE 1**  
Direct emissions from  
owned or controlled  
sources

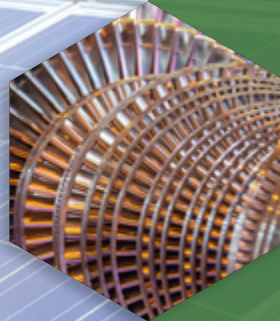
**5%** **SCOPE 2**  
Indirect emissions  
from the generation of  
purchased energy

**89%** **SCOPE 3**  
Indirect emissions  
that occur in the  
value chain, including  
emissions upstream  
and downstream

**Energy efficiency and sourcing renewable energy are key priorities at Bakelite Synthetics.**

Bakelite Synthetics has been recognized as a partner in the U.S. Environmental Protection Agency (EPA) ENERGY STAR program. As a result, we have pledged to rigorously monitor energy performance and implement energy management strategies based on ENERGY STAR guidelines.

In 2024, we will participate in the EPA's 'ENERGY STAR Challenge for Industry' by piloting the ENERGY STAR program at our site in Conway, North Carolina, aiming to improve energy efficiency by 10% in five years or less.



**Energy and emissions initiatives at Bakelite Synthetics include:**

- **Barry, United Kingdom:** We are installing a ground-mounted solar photovoltaic system to integrate with the site's power network – aiming to reduce GHG emissions by 160 tons CO<sub>2</sub>e annually (i.e. 18% of the site's Scope 2 emissions).
- **Lantaron, Spain:** We are installing a ground-mounted solar photovoltaic system – aiming to reduce GHG emissions by 80 tons CO<sub>2</sub>e annually (i.e. 20% of the site's Scope 2 emissions).
- **Kitee, Finland:** We are importing solar photovoltaic electricity through a Power Purchase Agreement (PPA) provider – aiming to reduce GHG emissions by 100 tons CO<sub>2</sub>e annually (i.e. 22% of the site's Scope 2 emissions).
- **Botlek, The Netherlands:** We are installing a steam turbine to generate electricity from waste steam covering up to 65% of the plant's energy needs – aiming to reduce emissions by 3,600 tons CO<sub>2</sub>e annually.





## Associate Highlight

**Neil Jones**, Director of Engineering Operations, understands the potential in harnessing the power of photovoltaic (PV) solar energy. However, opportunity is often met by challenges and in Neil's case, this meant project teams overcoming the complexity of the existing electrical site distribution design and building the PV solution in a way that delivered on cost savings and best return on investment (ROI). Neil, the consummate quiet and determined engineer, never gave up on his dream to see the first on-site renewable energy realized at Bakelite Synthetics.

The implementation of Neil's vision for solar energy at Bakelite Synthetics was a team effort, with the site project team continually refining the designs until they were sure both the

percentage of renewable energy and ROI were maximized. The team had a multitude of decisions to address including array design options for the site footprint, mounting considerations, glare and glint studies due to the proximity of a regional airport, and the complexities of the permitting process. Despite the many challenges and hurdles, Neil and his team harnessed creativity, ingenuity, and persistence to finally deliver a design that has the potential to reduce our emissions at our first two sites in the United Kingdom and Spain by approximately 240 tons of CO<sub>2e</sub> annually.

These first renewable energy success stories are only the beginning. Neil and his team are already assessing additional sites for renewable energy opportunities.



**“Does it move the needle on global emissions now? It does not, but the only way we are going to achieve that is by doing a lot of projects like this. At the end of the day, all these small, incremental changes will sum up to something significant.”**

Neil Jones  
Director of Engineering  
Operations





# Water Quality and Wastewater



**At Bakelite Synthetics, we are tackling responsible water consumption, water use, and effluent management.**

Water and climate change are inextricably linked. Water scarcity is set to become a global issue, and we have already embarked on a journey to reduce our overall water consumption.

During 2023, we piloted the mapping and mass balance of water sources at one site each in Europe and the United States. We also analyzed water scarcity forecasts for every plant location globally to determine how to prioritize our water management efforts moving forward. But water management is not a new concept for Bakelite Synthetics, as evidenced in the following examples.

Most of our sites recover a large amount of process water and convert it to useful purposes within the process. Storm water management practices are applied at all of our facilities.

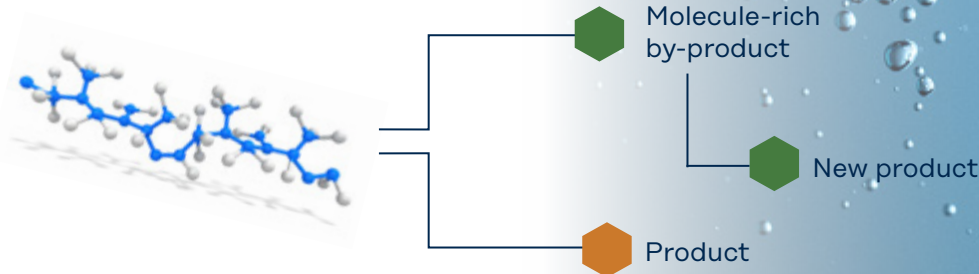
Bakelite's Oregon sites, Albany and Eugene, have been very proactive in finding water reuse opportunities and reducing their disposal of water containing by-product. At Eugene, more than 90% of the water used for manufacturing processes is recycled water. This includes between 9 million and 12 million pounds of wash water and by-product distillate from Bakelite's Albany site, as well as captured stormwater.

The Albany site also has a smart approach when it comes to reusing water responsibly. Each year, the site consumes 3.1 million

pounds of city water and 1.7 million pounds of wash water back into resin manufacturing.

At our Lantaron, Spain facility a cross-functional team from R&D, quality, production, and EHS worked to translate a best practice from other manufacturing locations in the re-use of by-product rich process water. In 2023, their hard work was rewarded when they were able to successfully segregate, recover, and re-use the molecular content of the side streams into new Bakelite Synthetics products. This project is saving on the disposal 350+ metric tons of waste annually.

## Production





# Residuals and Waste Management

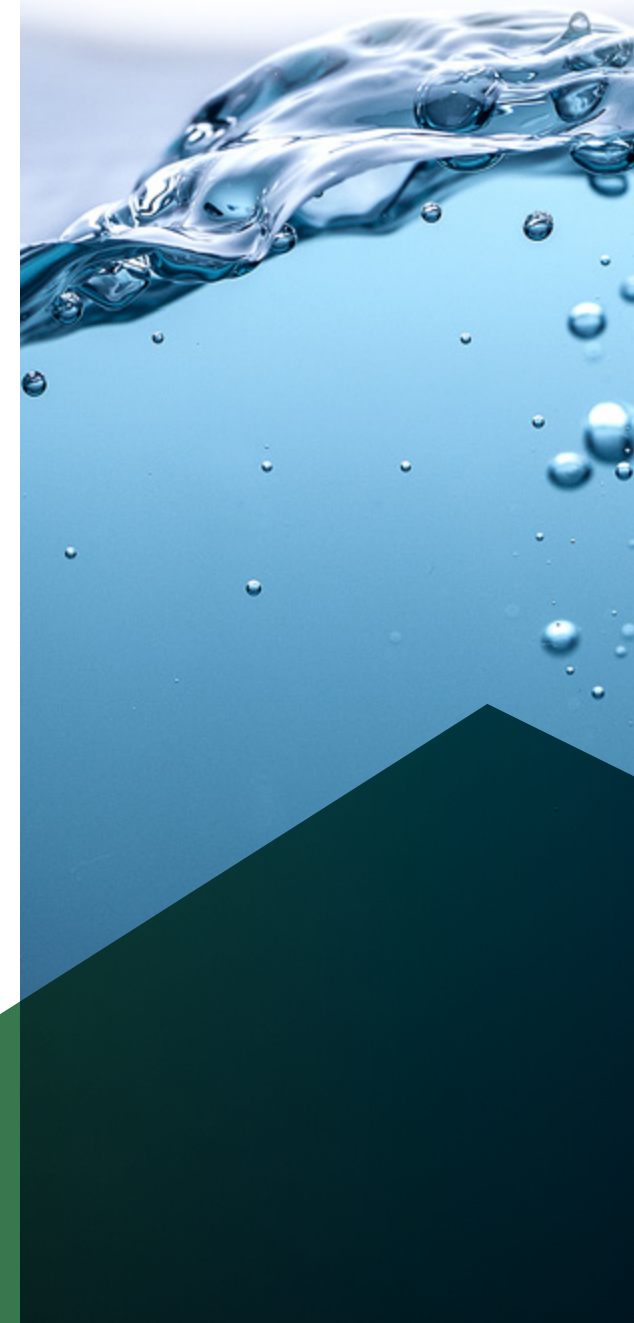


## Reducing waste generation and promoting the reuse of by-products offers an innovative way forward at Bakelite Synthetics.

We have made progress in 2023 through innovative strategies, internal collaborations, recycling, and the reuse of by-products. Our approach to waste focuses on increasing the collection of industrial 'solids' such as metal, cardboard, and plastic, and at the same time considering waste at the 'molecular' level to create new value from by-products in our production processes.

Some key initiatives included:

- **Monomer Recovery:** Across several sites in the United States and Germany, we use advanced recovery methods to maximize the reuse of unreacted raw materials. Depending on the method, we can recover up to 99.5% of unreacted starting materials in production.
- **Water Reuse:** For our site in Kitee, Finland, water conservation has been a focus with first a rainwater recovery initiative, and most recently, a project to reuse water from the cleaning processes, which will come online in 2024, with the potential for 300 tons of water to be reused annually.
- **Waste Reduction:** Our Concepción, Chile site has achieved a 70% reduction in final waste disposal since 2019. By targeting the reduction of a specific by-product of our manufacturing process, and via a collaborative cross-functional effort, the site has collectively facilitated a higher reuse rate.



# Materials and Innovation

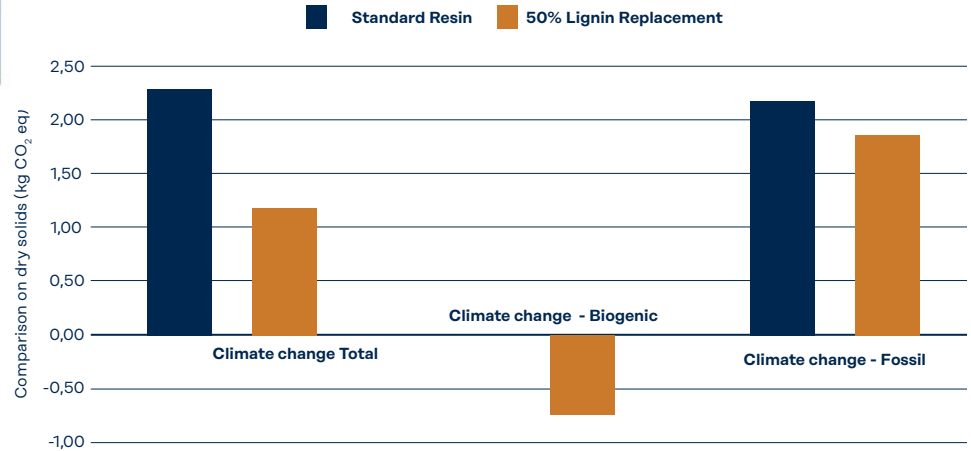


**At Bakelite Synthetics, we are collaboratively working to help solve the short- and long-term environmental goals of our customers and internal stakeholders.**

Our customers across industries and application types inspire us to deliver products that perform to the highest standards, while at the same time offering the advantage of products with sustainable attributes. There are a variety of ways we are working with customers, suppliers, and external partners to drive sustainable product innovation.

We are working with customers on product modification through the substitution of fossil-based raw materials with bio-renewable sources. There are several factors that go into the decision of how best to modify a product, which include the properties of the substituted material, chemistry with the other components in the formulation, and the performance requirements of the application. Other factors include regional raw material availability and costs. We

## Carbon Emissions Improvement with Bio-Renewable Content



work together with customers to explore all facets of new product development to find the right fit for the customer’s needs. In Kitee, Finland, we are working with customers to substitute virgin fossil-based monomer with lignin, thus meeting incumbent product properties and creating a more sustainable product. We worked with the Nova Institute to determine the carbon savings of lignin-substituted resins, as shown above. The savings from the reduced footprint of the lignin, in combination with the reduction of fossil-based monomer, result in a 51% reduction in carbon footprint for the product, with no degradation in product performance characteristics.

External partnerships are also a key element of our innovation strategy at Bakelite Synthetics.

In 2023, Bakelite Synthetics was awarded a grant under the ‘renewable resources’ funding program of Germany’s Federal Ministry of Food and Agriculture (BMEL). This innovative research project aims to develop an alternative adhesive system for layer bonding of veneers in laminated wood materials. Market demand for adhesives with better environmental attributes is driving our team to create lignin-modified resins as a bio-based renewable alternative to current fossil-based adhesive products. The goal of this two-year project is to create new product offerings that improve the environmental performance of both Bakelite Synthetics and our customers, while maintaining the quality and product performance demanded by our customer’s applications.







# Product Highlights

## At Bakelite Synthetics, we are beginning to define the 'sustainable attributes' of our products.

In 2023, we formed a cross-functional team, including external experts, to explore the concept of sustainable attributes within our specific space. In addition to prioritizing the list of potential attributes that advance our progress to reduce climate change, we were able to apply the first of these attributes to our entire global product portfolio and assess our baseline. While many of the products that contain these attributes in our portfolio today are not new, they have provided a starting point for us to understand what works and where we can continue to innovate to drive change. Fewer than 10% of our products today possess the attributes described below, but we have active programs in place to advance that number in the coming years. We can't wait to share our progress.

### **Bio-renewable Raw Material Content**

Definition: A product that contains raw materials derived from living or recently living organisms, excluding fossilized sources.

We have over 80 products today that contain bio-renewable raw materials. We believe bio-renewable raw materials are important because as we continue to find new sources and new ways to formulate with them, we reduce overall GHG emissions and decrease our reliance on fossil fuels. Although some solutions are standard within our industry, we are working with our customers and suppliers to identify new or novel bio-renewable sources. In this way, we can advance the progress toward our collective sustainability and product performance goals with our customers.

### **Enabling Energy Efficiency**

Definition: A product that has been specifically formulated to reduce energy usage at the customer during processing.

We have over 70 Bakelite products designed to enable energy efficiency at the customer. One such product is Resi-Boost™. Bakelite's Resi-Boost™ provides significant advantages in increased throughput, lower application rates, and energy savings while maintaining performance improving press times without any decrease in bond quality.

In addition, it accelerates the curing profile of the resin, enabling faster manufacture line speeds. Both are observed with sustained, expected performance.

### **Reused and Recycled Content**

Definition: A product containing materials either reused (i.e. without further re-processing) or recycled (i.e. further reprocessed either chemically or mechanically) that would otherwise have been destined as waste.

We aim to reuse and recycle by-product streams wherever possible. In some cases, this even includes the purchase of side streams from other industries, thereby supporting a circular economy. Responsible production benefits both the environment and business, when the maximum value is extracted from every molecule. We are constantly seeking opportunities to reduce, eliminate, or recycle by-products.

We have more work to do, both to grow our portfolio with the attributes listed here, and continue to explore potential new attributes that help us meet our customers' goals and measure our progress toward a more sustainable product portfolio.



# Circular Economy



**Minimizing waste and prioritizing the recycling and reuse of materials are both key environmental focus areas for Bakelite Synthetics.**

As a closed-loop system, the circular economy promotes the reuse, repair, refurbishment, and recycling or upcycling of products and materials — reversing the trend to throw away otherwise valuable resources. It is an approach which recognizes not everything can be repurposed but encourages companies to seek out creative ways to integrate circular thinking wherever possible.

In Solbiate, Italy, our focus on sustainability revealed a unique circularity opportunity in packaging. We regularly receive large quantities of wooden pallets in Italy, which until recently were discarded. However, we discovered identical pallets were being purchased by our site in Iserlohn-Letmathe, Germany for their

operations — a discovery which led to the two sites sharing the pallets as resources, avoiding pallets being discarded as waste. Intercompany shipments between the sites were reconfigured to utilize the previously discarded pallets, thus avoiding waste and providing the Iserlohn-Letmathe, Germany facility with a needed resource.

At Bakelite Synthetics, we believe in making an impact in both large and small ways. One example of creating value from waste came to life in 2023 at our site in Concepción, Chile. In partnership with a local construction and sustainable design company, we challenged ourselves to build a unique, waste-based cobblestone



Sustainability at  
Bakelite  
Synthetics



Environmental  
Impact

Social Impact

Governance

Appendix



pathway during the building of our new 12-ton storage facility. In total, the pathway repurposed plastic and plastic bottle tops from Bakelite Synthetics, which were added to our partner's unique concrete and waste mix for the final pathway. As the first project of its kind for Bakelite Synthetics, we hope its success can be a stepping stone toward keeping more plastic from going to landfill in the future, and creating a novel visual representation of our commitment to sustainability.

Our ongoing efforts in recycling and waste reduction benefit the environment, and represent an opportunity to connect learnings on repurposing and value creation, enhancing our operational efficiency and sustainability best practices.



**BEFORE**  
Used to **purchase** new pallets in Lermathe.



**BEFORE**  
Used to **dispose** the pallets in Solbiate.

Sustainability at  
Bakelite  
Synthetics



Environmental  
Impact

Social Impact

Governance

Appendix







## Associate Highlight

**Maria Grazia Rossetti** is a Supply Chain Planner at our Solbiate, Italy site. During a routine site tour, she noticed some wooden pallets that were segregated for disposal. Maria Grazia Rossetti's passion to reduce, reuse, and recycle led her to create a unique pallet-sharing initiative at Bakelite Synthetics.

Maria Grazia leveraged her deep knowledge of our supply chain and discovered our site in Iserlohn-Letmathe, Germany was purchasing the exact same pallet as those being discarded in Italy. She knew this was the ideal opportunity to connect the dots across our organization and quickly put in motion an initiative

to drive circular thinking between sites. Now, intercompany material transfers are facilitated using these wooden pallets in Italy. Her desire for a more sustainable world helped not only eliminate waste but also increase cost efficiencies and create new ways of thinking.

Maria Grazia's dedication to sustainability goes beyond pallet reuse to include the wrapping that secures our delivered products to the pallets. She demonstrated the savings in emissions and costs of switching to an alternative film wrap that is made from 60% recycled content, resulting in a saving of 13 tons of CO<sub>2</sub>e annually.



**“For the last ten years, I read in my free time about how I can be more green and help the planet. This past year, I felt a duty, a moral duty, to bring the passion and awareness that I have for sustainability into our supply chain. It’s important for the world, and it’s also so important for our company.”**

**Maria Grazia Rossetti**  
Supply Chain Planner  
Solbiate, Italy





# Recognition and Certifications

EcoVadis provides third party assessment and certification for monitoring sustainability in global supply chains. EcoVadis awarded Bakelite Synthetics with a bronze certification for exceeding the industry average with our scores, particularly in the areas of environment, and labor and human rights.

Bakelite's Concordia, Argentina facility received the Responsible Care® Certification. This is a voluntary initiative in the global chemical industry where participants are asked to go above and beyond what the government and regulatory compliance entities require of their business.

We continue to drive excellence at our sites through ISO certification, with several facilities already holding ISO 14001 for environmental management, ISO 9001 for quality management, and ISO 50001 for energy management. During 2023, we also made good progress toward ISO 27001 for information security management, and expect to receive that certification during 2024.

Awards and certifications demonstrate to our customers our ongoing effort to uphold the highest standards, meeting or exceeding expectations of service, quality and safety. Certifications act to provide frameworks where we can continually improve the robustness of our processes, and communicate our commitment of excellence to our stakeholder community.

To learn more and to view all of Bakelite Synthetics' certifications, please visit [our website](#).



**Bakelite Synthetics is honored to have received multiple accolades in 2023 — a testament to our passion for excellence, sustainability, and innovation.**

Sustainability at  
Bakelite  
Synthetics



Environmental  
Impact

Social Impact

Governance

Appendix



**Responsible Care®  
Certification  
has six basic  
principles:**

- 1. Improve environment, health, and safety (EHS) knowledge and performance of technologies, processes, and products to avoid harm to people and the environment**
- 2. Use resources efficiently and minimize waste**
- 3. Report openly on performance, achievements, and shortcomings**
- 4. Listen, engage, and address stakeholder concerns and expectations**
- 5. Cooperate with governments and organizations to meet or exceed regulations and standards**
- 6. Foster responsible chemical management along the product chain**



**Awards and  
recognitions  
in 2023:**

- **Gold Supplier Rating from BAE Systems**
- **U.S. Environmental Protection Agency (EPA) ENERGY STAR Partner**
- **EPA Green Chemistry Challenge Award for new and innovative green chemistry technologies was awarded to Captis Aire, based on a technology designed and patented by our scientists**



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# Social Impact





Sustainability at  
Bakelite  
Synthetics

Environmental  
Impact



Social Impact

Governance

Appendix

## At Bakelite Synthetics, our associates are the heart of our success.

We strive to make Bakelite Synthetics a place where associates can thrive and reach their full potential. Our investments in health and safety, physical and mental well-being, and professional career development demonstrate the value we place on creating a workplace where associates feel challenged, empowered, and supported. As a diverse and inclusive company, we champion mutual respect and collaboration and promote giving back to the communities where we operate.

**“At Bakelite Synthetics, we are shaping top talent by developing leadership skills, personal development, and mentoring partnerships. Across all areas of the business, our associates benefit from the investment we make into professional education. I am confident the innovative and ambitious talent of Bakelite will continue to make the company stronger.”**

**Curtis Shelast**  
Executive Vice President  
and General Manager,  
Americas



# Occupational Health and Safety

**A culture of safety is paramount to how we live each day at Bakelite Synthetics.**

Our Safety core value and our Environment Health and Safety (EHS) Policy guide our day-to-day actions and define key performance indicators for EHS. The policy clearly explains Bakelite’s guiding principles, priorities, and leadership expectations of a safe and compliant workplace.

By providing instruction and training on behaviors that could pose risks, as well as promoting the adoption of safe practices, we help our associates and contractors understand the practices that keep them safe.

It is our core value that calls us to act safely 24 hours a day, 7 days a week. In 2023, our ‘Safety Today for a Safer Tomorrow’ campaign was rolled out to all our associates, reinforcing our core value: We live ‘safety first.’ Posters, a digital bulletin board, and interactive group sessions encouraged associates to share stories on safety and explore what needs to happen to realize a ‘safer tomorrow’ — at work, on the commute, and at home.



## SAFETY TODAY FOR A SAFER TOMORROW



**Ensure** all our associates get home safely



**Prevent** workplace injuries and illnesses



**Enhance** our social responsibility and connection to each other



**Engage** workers every day: it keeps us alert on the job



**Go beyond compliance** with laws and regulations



**A safety mindset** is also a quality mindset







Sustainability at  
Bakelite  
Synthetics

Environmental  
Impact



Social Impact

Governance

Appendix

**In November 2023, we hosted an ‘Open Doors Day’ to kick off a week-long celebration of EHS and sustainability at our plant in Concepción, Chile. This event invited associates and contractors to bring their families to work and spend time getting to know each other. As an educational and communal experience, the event allowed families to see how Bakelite Synthetics operates and approaches resin manufacturing, quality control, and workplace safety.**

In 2023, at our plant in Solbiate, Italy, we held an annual ‘Safety Day’ event. The day-long workshop featured virtual reality to simulate real emergency scenarios in the workplace – fires, hazardous materials incidents, injuries, and more. This successful event demonstrated to our team in Italy the value we place on upholding the highest safety standards in the workplace.

We took a novel approach to communicating safety internally by developing an intranet series: ‘Safety Travels with Debora.’ As Bakelite Synthetics Vice President of EHS and a former site leader, Debora Costa has used her travel opportunities to highlight how our global manufacturing sites implement safety best practices. The series has helped our sites and associates share actionable insights that ensure next-generation synthetics are made safely and responsibly.

ISO 45001 is a key standard we use to support safe and healthy workplaces. It guides our employees on how to prevent work-related injuries and illnesses. ISO 45001 also helps identify the types of proactive measures required for continual improvement across our sites.

Beyond site safety and accident avoidance, we continue to recognize the importance of helping our associates deal with work-related travel stress and mental well-being. At all our Bakelite Synthetics sites worldwide, we offer Employee Assistance Programs (EAPs) as part of our ongoing effort to maintain a caring, positive and productive workplace.





## Associate Highlights

The *OneBakelite* spirit is represented across our organization by our committed associates who seek to make a real difference in Bakelite's sustainability performance. We have talented and diverse teams who work to their strengths and are empowered to drive positive change for Bakelite Synthetics from right where they are in the organization. Together, we can create impact that benefits all our futures. Here, we're pleased to highlight how the different gifts of various leaders in our EHS organization work together to make us a stronger, better company.

**Paola Cartini** is an analytical, forward-thinking EHS leader who has been successfully supporting Bakelite's efforts to develop policies and programs for managing and reducing

environment and safety risks and creating a culture based on safety as a value. Paola has led the continuous improvement of environmental metrics tracking, helping to identify the effectiveness of Bakelite's programs in reducing environmental impact. As Director of EHS in Europe, she works closely with her region's facilities to support risk reduction projects and improvement initiatives on different aspects concerning health, safety and environment, including projects to reduce waste production and water consumption. Paola's analytical approach to problem-solving, and quiet determination have supported many improvements in EHS at Bakelite over the years. These qualities led to Paola being appointed to lead the global product stewardship team in 2024.



**"Looking back, I'm proud of what we at Bakelite have achieved. As a company, we believe in sustainability and a better tomorrow—something I hope to help us deliver."**

**Paola Cartini**  
Director of Environment,  
Health and Safety, Europe





**Robert Osika**, Director of EHS in the Americas, works tirelessly to drive improvements through his team, and is always willing to jump in himself to support them. Robert was tasked with integrating all North and South American sites with Bakelite Synthetics' EHS initiatives and framework, as well as ensuring compliance with Bakelite Synthetic's global standards following two

acquisitions. In addition, Robert led his team to navigate the complexities of operationalizing new air regulations in the U.S. His experience spans from engineering to process safety which provides the foundation to the progress he has achieved. Robert has been pivotal in helping set the *OneBakelite* culture and continues to support sustainability goals in the Americas.

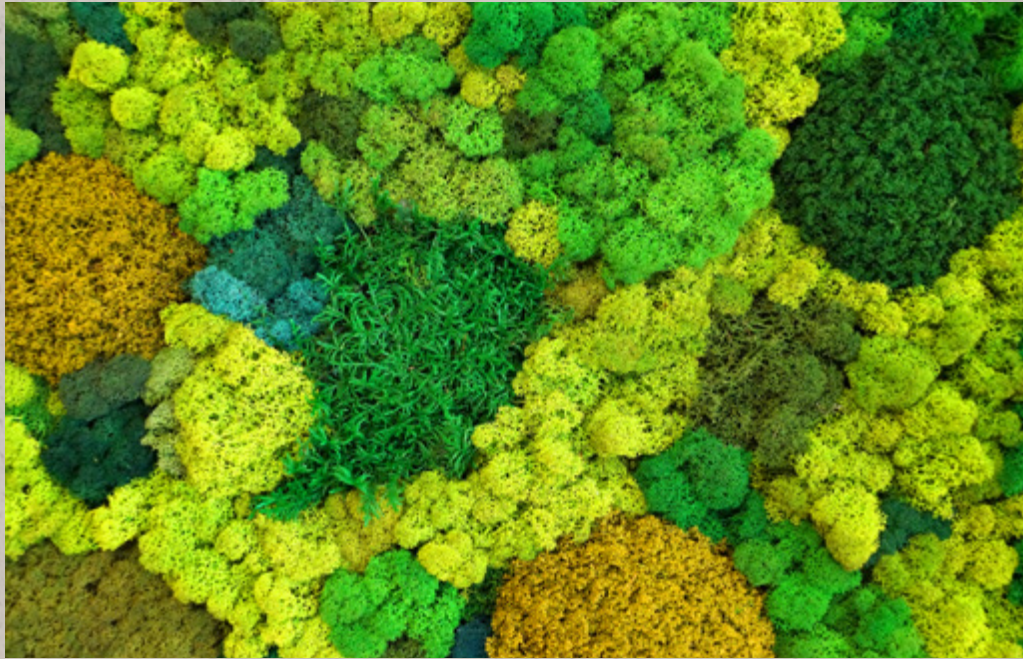


**“We believe in doing it right the first time. No waste. No accidents. No quality issues. It is a culture I’m proud to say we’re living today, evidenced by the fact that in Beaver Creek, Michigan, we have gone two decades without an injury.”**

Robert Osika  
Director of Environment,  
Health and Safety,  
Americas







**Patricio Solano**, Head of Environmental in Concepción, Chile, carries a deep passion for sustainability both at home and at work, which is evident to anyone who meets him. Patricio champions environmentally friendly initiatives at Bakelite Synthetics, leading various sustainability actions focused on creating long-term value through environmental, quality, and health strategies. Patricio works to implement and align

our sustainability objectives with customers and suppliers by looking at ways to integrate and build ESG criteria into future innovation and projects. He was instrumental in launching the Responsible Care® certifications at both of Bakelite's South American sites. Since 2019, he was also responsible for initiatives that reduced waste disposal from a baseline of approximately 1000 tons to 350 tons by the end of 2023.



**"We need to work hard to deliver a planet in a better condition than it is today, a planet for tomorrow and the future generations to come. A planet that can survive and thrive. That is what I want to contribute towards in my work at Bakelite Synthetics."**

**Patricio Solano**  
Environmental Leader,  
Concepción, Chile





# Employment

**We strive for excellence as *OneBakelite*.**

Building on more than 100 years of strong, rich history as a brand, Bakelite’s recent journey to become a successful and thriving stand-alone company has been focused on developing day-to-day operations that allow us to meet the needs of our customers and associates.

Following multiple recent acquisitions and rapid growth, our focus – while always associate and customer-centric – shifts to developing our leadership talent, providing a rewarding associate experience and driving strong engagement across all of our locations, as we come together to form *OneBakelite*.

Like our long-lasting history, we are on a journey and making continued progress and advancements.

## EMPLOYEES BY GENDER (includes acquisition)



**Europe**  
82% Male | 18% Female



**South America**  
87% Male | 13% Female



**North America**  
83% Male | 17% Female



# Associate Development

**At Bakelite Synthetics, we believe in nurturing associate growth and career progression.**

In 2023, Bakelite Synthetics proudly introduced the LEAD@Bakelite Program - Leadership, Exploration and Discovery – a highly interactive and Bakelite-tailored leadership development initiative. Based on cutting-edge tools and techniques, this action-learning program is focused on helping our managers cultivate new behaviors and insights, advancing their career development. By examining key leadership concepts, real-world scenarios, and inclusive peer learning, the program provides a safe and stimulating environment for learning and growth.

Our ‘Leading at the Speed of Trust’ workshop continued to be a success last year, with more than 200 leaders upskilled, and plans to include more than 100 in 2024. The workshop led to 91% of participants stating that their skills and knowledge had increased following attendance. It is instrumental in fostering a culture of trust, accelerating breakthrough results, and enhancing leadership credibility and organizational efficiency.

In November 2023 we asked for feedback from our associates through an inaugural Bakelite Associate Engagement Survey. The survey was well received with a response rate of 70%, and we are currently reviewing the feedback and formulating improvements that will continue making Bakelite Synthetics a supportive, engaging, and welcoming workplace.

Learning and development are lifelong skills, which we believe should be accessible to all associates at Bakelite Synthetics. This led us to develop a LinkedIn Learning program in 2023 that offers our associates the opportunity to access anywhere, anytime, more than 22,000 courses in multiple languages and focus areas. We have since launched the learning experience across the organization in 2024.

Finally, during 2023, we hosted a series of ‘Bakelite Sustainability Town Halls’ with interesting sessions that highlighted a wide range of sustainability topics and initiatives to our associates, providing them with information on where to learn more about all of our engaging topics.

**“We continually invest time and resources into attracting and retaining the best talent across the globe. We work tirelessly behind the scenes to ensure that we listen and respond to our associates. Through initiatives such as our new leadership education platform and the first-ever Associate Engagement Survey, we are helping our associates grow, develop, and advance their careers at Bakelite.”**

**Alex Greenberg**  
Executive Vice President  
Human Resources





# People and Belonging

**Embracing and celebrating our uniqueness is a fundamental value of Bakelite Synthetics.**

Bakelite Synthetics champions dignity and respect in the workplace. We hold ourselves to the highest professional standards and believe that a workplace should welcome all backgrounds, cultures, experiences, and perspectives.

Building on the strong foundation of our Core Values of treating each other with respect and doing the right thing – along with our commitment to our Mutual Respect policy – we recognize that our differences are what make us great. It is through different experiences and perspectives that innovation is born.

In 2023, we launched the 'Bakelite Women's Network,' our first Employee Resource Group (ERG). The Bakelite Women's Network supports and empowers our female employees and provides them with opportunities for professional and personal growth. The Bakelite Women's Network values trust, openness, and shared passion, which women exemplify while actively participating in our company's ongoing success. The ERG launched in October 2023 and held 12 global and local events through the remainder of the year – attended by approximately two-thirds to one-third of female and male colleagues.

**While Bakelite Synthetics is still 17% female (as in 2022), the portion of female new hires increased from 22 to 25% in 2023.**

In 2023, we also became a corporate sponsor of Women in Chemicals (WIC), a non-profit focused on empowering women in the chemical industry. WIC was founded in 2021, already comprising over 3,000 members from 500 companies. We are proud to help support WIC with its many growth opportunities and resources. Our involvement is driven by Laura Boninsegni, our Vice President of Financial Planning and Analysis and President of the Bakelite Women's Network, who was appointed for a three-year term to the WIC Ally Advisory Board.

## BAKELITE WOMEN'S NETWORK LEADERSHIP TEAM



# Community Engagement

**At Bakelite Synthetics, we seek to strengthen the communities in which we live and work.**

We recognize the crucial contribution of our local communities to our success and are dedicated to giving back through our various charitable initiatives. Our focus on community engagement involves collaborating with multiple stakeholder groups — our customers, our associates, and the communities we serve — to strengthen our collective well-being.

In 2023, we have been actively involved in several initiatives, a sample of which are highlighted below:

- **Wildfire relief in Chile:** we joined local relief efforts to combat local wildfires in February 2023 with donations of items that were critically needed, as well as donations of water to keep workers hydrated.
- **Cancer support in the U.S:** we partnered with a customer in Oregon to benefit 'Relay for Life', a community-based fundraising event for the American Cancer Society.



- **'CariTasche' initiative in Germany:** associates contributed to the 'CariTasche' initiative, which collects and distributes surplus food to those in need in the region local to our site in Iserlohn-Letmathe, Germany.



- **World Children's Day in Morocco:** we supported World Children's Day in aid of the thousands of children impacted by an earthquake that hit Morocco in 2023. Our activities raised donations, providing immediate emergency care on the ground where it was most needed.





## Bakelite Synthetics is committed to strengthening the communities in which we live and work.

- **Careers event in Germany:** we participated in 'Karriere in MK' (careers in MK), an event involving 130 companies that welcomed 3,000 students, providing information and guidance on careers and training opportunities within the region of our site in Iserlohn-Letmathe.



- **School accessibility upgrades in the United Kingdom:** we raised donations for an outside play area at Palmerstown Primary, a primary school near our Barry, United Kingdom facility. This play area impacts 250 children, including physically disabled children, as some current play areas were inaccessible for wheelchairs and unsafe for play during bad weather.
- **Fire department equipment in the USA:** we donated emergency services equipment to the local fire department near our plant in Conway, North Carolina. The department is run by volunteers and relies on donations to maintain equipment and supplies, including items necessary for medium-duty rescue certification.



- **Halloween in the USA:** we joined in the fun as one of 33 local business booths in a community-led 'Boo in the Park' annual Halloween event in Taylorsville, Mississippi. The family-friendly event featured games and treats, entertaining more than 500 children in a safe atmosphere.

Sustainability at  
Bakelite  
Synthetics

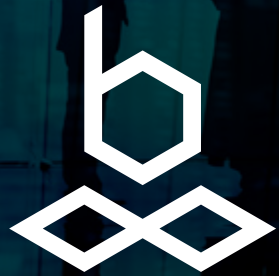
Environmental  
Impact



Social Impact

Governance

Appendix



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# Governance



**“What I’m most proud of is the people in our organization, from the leadership team to the owners to our associates. We are taking active steps to improve ESG across the organization—a sustainable journey we can all be proud to be of together.”**

**Julian Welfoot**  
Executive Vice President and  
Managing Director, Europe



**At Bakelite Synthetics, we understand the important role of corporate governance and ethical behavior in strengthening trust among our associates, customers, and shareholders — actions guided by our core values.**

Our governance framework is anchored by our leadership team, which seeks to continuously deliver best practices in safeguarding employee rights, managing business risks efficiently, and rigorously meeting compliance standards.

We expect the highest adherence to ethical conduct from all our stakeholders, including our suppliers. We remain dedicated to maintaining the highest governance standards. To achieve our governance objectives, we continue to improve and update our processes and policies across our entire global network.





# Corporate Governance: Board leadership and ESG governance

**High-level direction for corporate activities is governed by the Board of Directors. We ensure strong oversight by engaging external auditors, and through committees such as the Audit and Risk Committee.**

As Bakelite Synthetics continues to grow, we have focused on strengthening our corporate policies. In 2023 we created an improved Policy Framework, along with Policy Owner Guidelines, and at the same time, upgraded the policy review and tracking mechanisms for reviews and approvals. This comprehensive approach is designed to align with our [Code of Conduct](#) and the [Code of Conduct for Suppliers and Other Third Parties](#).

This approach offers detailed guidance on the high standards of integrity and ethical behavior expected across all aspects of our operations, ensuring we have a more robust policy system as we continue to expand our operations.

Sustainability initiatives are driven by the executive team in partnership with the Executive Vice President of Sustainability. Supporting the executive team is the ESG Advisory Committee, which is comprised of leaders representing our functions and geographic regions.

During 2023, we reinforced our internal IT security function through the enhancement of our IT Security Committee as part of our ongoing ISO 27001 certification process.

Sustainability at  
Bakelite  
Synthetics

Environmental  
Impact

Social Impact



Governance

Appendix





# Ethics and Code of Conduct: anti-corruption and human rights

**At Bakelite Synthetics, our core values, policies, and procedures are the foundation of our ethical approach to business practices.**

In keeping with the pace and dynamic nature of our industry, we continuously review and seek improvement of our ethical and compliance measures.

Sustainability at  
Bakelite  
Synthetics

Environmental  
Impact

Social Impact



Governance

Appendix



## ENGAGING OUR ASSOCIATES

The foundation of our ethical and compliance efforts rests on our associates' actions, guided by our core values.

As *OneBakelite*, we incorporate these values into everything we do, from messaging in our virtual Town Halls, to training, to our annual performance review process. We have embedded labor and human rights in our corporate policies, which are in line with the principles of the UN Global Compact.



**United Nations**  
Global Compact



## LABOR AND HUMAN RIGHTS

We have built trust by upholding our commitment to ethical business practices and regulatory compliance. We ask our associates to adhere to our Code of Conduct, including (but not limited to):

- Our commitment to environmental, health and safety
- Our commitment to each other
- Our commitment to the marketplace
- Our commitment to honesty and integrity
- Our commitment to getting help and reporting concerns

We also expect our associates to embrace our **Mutual Respect Policy**, so that the workplace remains a safe, harassment-free environment where respect and dignity are at the forefront.



## ANTI-BRIBERY

We ensure a comprehensive anti-bribery and corruption program aligned to both local and international laws, such as the U.S. Foreign Corrupt Practices Act, the UK Bribery Act, and similar anti-bribery laws and resolutions in other countries where Bakelite Synthetics conducts business.

Our policy prohibits all forms of bribery and highlights the maintenance of accurate financial records and robust internal controls to manage our company assets effectively.

# Supplier Relations

**At Bakelite Synthetics, we work hard to maintain our reputation as a trustworthy, honest, and value-adding business partner.**

We ask all stakeholders to abide by the highest ethical standards when conducting business and ensure full compliance with all relevant laws and regulations. Screening of our suppliers is an important part of ensuring transparency and trust. We use several software tools to ensure third-party customers, vendors, distributors, and agents meet our expectations.

We have developed the [Code of Conduct for Suppliers and Other Third Parties](#), which applies to all suppliers and other third parties that do business with Bakelite Synthetics or any of our subsidiaries around the world. We expect all our suppliers to follow this Code during their interactions with, or on behalf of, Bakelite Synthetics. We ask them to establish the systems and controls necessary to support adherence to relevant laws and ethical principles. In addition, we require suppliers to report any breaches of the Code.



## Compliance with our Code of Conduct includes:

- **Ethics and compliance with laws**
- **Human rights and labor**
- **Environment, health and safety**
- **Intellectual property and information protection**
- **Trade controls and customs compliance**

But strong supplier relationships go beyond mere compliance. Bakelite Synthetics works together with suppliers to identify new opportunities, address quality issues, and enhance communication. At Bakelite Synthetics, it's not just about working with suppliers who share our values, but also in being the customer of choice. In this way, we build trust and find opportunities where we can drive wins along the full value chain.

**"Sustainable raw materials are being developed across the chemical industry. Our strong relationships with our suppliers help to ensure that when they invent one of these sustainable materials, Bakelite is their customer of choice. This allows Bakelite to incorporate new materials faster into our products and help our customers succeed in their sustainability journeys."**

**Paul Vogt**  
Executive Vice  
President Procurement







# Risk Management

**Identifying and mitigating risk is a priority concern for any business.**

We know that to navigate risk effectively, we need comprehensive processes that identify, report, and manage our timely response in line with corporate governance and best practices.

The Enterprise Risk Management and Reporting (ERMR) manual is our guiding framework for all group functions concerning risk. The ERMR process plays an important role in ensuring that we can identify and respond to potential risks and equally maintain continuous monitoring of risks to mitigate

impact. It is updated regularly, refined, and aligned to the risk insights from biannual interviews with top management.

We conduct a risk and fraud questionnaire annually to identify potential vulnerabilities and ensure our actions comply with our ethical guidelines.

## THE RISK MANAGEMENT PROCESS



In 2024, the internal audit team at Bakelite Synthetics completed a review of our Sustainability Report to assess the efficacy of governance mechanisms and management controls, aligning our reporting practices with internationally recognized sustainability standards.

By proactively engaging in this endeavor, we aim to elevate the transparency of our sustainability efforts, furnishing stakeholders with robust assurances regarding our steadfast dedication to sustainable principles.

# Data Privacy and Compliance

**At Bakelite Synthetics, we respect the use and confidentiality of personal information.**

Safeguarding data that could identify an individual, whether on its own or when combined with other details, is of the utmost importance. We adhere to all applicable privacy laws and regulations and have developed our [Privacy Policy](#), which guides our actions. Data access is strictly limited to employment and business-related purposes to protect the confidentiality and appropriate use of personal information.

We expect our associates and third parties to promptly notify us of any compliance or integrity matter, regardless of their direct involvement in the concern. A dedicated multilingual reporting hotline is available 24 hours a day, 7 days a week, and 365 days a year in all countries where we operate. The hotline is independent of Bakelite Synthetics and does not utilize caller ID, with anonymous reporting permitted.

**"The ISO 27001 certification project has provided a cohesive framework for the many robust pieces of our practices that were already in place."**



**Lee Cunningham**  
Vice President  
Information Technology

**Cybersecurity is a growing global concern. In line with our ongoing ISO 27001 certification process, we have enhanced our Bakelite IT Security Committee to further strengthen our cybersecurity mindset and culture. The committee meets monthly to brief Bakelite's IT leadership team on any emerging threats, trends, and new vulnerabilities facing our business.**

**These insights are collected in an IT Risk Register, which our internal audit team considers when updating our broader Business Risk Register. Within our business, the committee closely examines security trends, such as patterns in phishing attacks or unusual website traffic, and ensures we remain current on the latest Cybersecurity and Infrastructure Security Agency (CISA) vulnerabilities affecting industrial systems. To help our associates be prepared to recognize and respond to cyber threats, the committee builds organization-wide awareness through regular communications and trainings via our global learning platform.**





# Looking Ahead: Next Steps in 2024 and Beyond

As we look to the future of sustainability at Bakelite Synthetics, we know that success lies in our path of steady continuous improvement across our functions and geographies. With the establishment of our 2030 goals, we have laid the foundation for our work for the next several years and

look forward to transparently communicating our progress in these critical areas. From environmental stewardship, to our product portfolio, our metrics and governance structures, and the health and safety of our associates, we are taking steps every day in our sustainability journey.

The path to sustainability is ongoing, and while we celebrate our progress, we also acknowledge the challenges that lie ahead. With a strong foundation in place and a clear vision for the future, Bakelite Synthetics is more equipped than ever to make significant contributions to a sustainable world.



**Sustainability at  
Bakelite  
Synthetics**

**Environmental  
Impact**

**Social Impact**



**Governance**

**Appendix**





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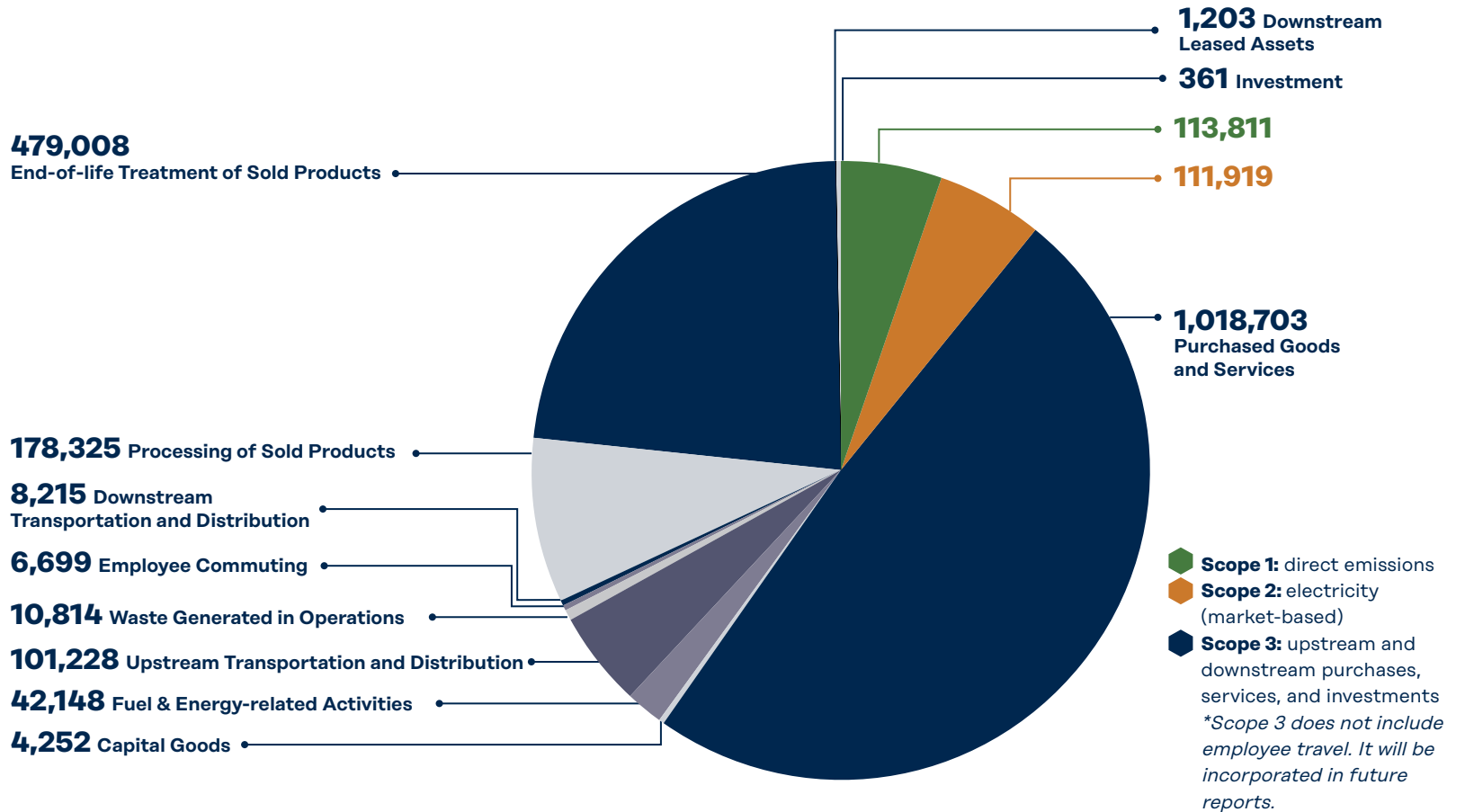
# Appendix



# 2023 GHG Inventory

In adherence with the GHG Protocol, we conducted a comprehensive evaluation of Bakelite Synthetics' assets, facilities, and operations to create our 2023 GHG inventory. This inventory will allow us to measure progress against our carbon emissions reduction goals.

## 2023 SCOPE 1, 2 AND 3 EMISSIONS



# Global Reporting Initiative (GRI) Content Index

With the GRI Universal Standards 2021 serving as a guide, this report includes disclosed indicators for the period spanning from January 2023 to December 2023. Our report or other public disclosures have fully or partially reported the indicators from our targeted SDGs in relation to GRI Standards. The GRI 1 used is GRI 1: Foundation 2021. The following index lists these indicators for your reference:

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 2: General Disclosures</b>	2-1 Organizational details	Please reference "About Us" on page 5 and "Our Global Reach" on page 7 of our Sustainability Report.
	2-2 Entities included in the organization's sustainability reporting	The entities included in the organization's sustainability reporting are Bakelite Synthetics.
	2-5 External assurance	Please reference the "GHG Inventory" on page 53 and "About this Report" on page 8 of our Sustainability Report.
	2-6 Activities, value chain and other business relationships	Please refer to page 11 of Bakelite's <a href="#">Code of Conduct</a> . A link to the code can also be found on page 47 of our Sustainability Report. Please reference "About Us" on page 5, "Stakeholder Engagement" on pages 11-12, and "Supply Chain Sustainability" on pages 15-16 of our Sustainability Report.
	2-7 Employees	Total workforce: 1,418 as of 2023. Please refer to <a href="#">"Who We Are"</a> on our website. Please reference "Employment" on page 39, "Occupational Health and Safety" on pages 34-35 and "Associate Development" on page 40 of our Sustainability Report.
	2-12 Role of the highest governance body in overseeing the management of impacts	Please reference "Corporate Governance: Board leadership and ESG governance" on page 46 and "Sustainability Materiality Assessment" on page 13 of our Sustainability Report.
	2-13 Delegation of responsibility for managing impacts	Please reference "Corporate Governance: Board leadership and ESG governance" on page 46 of our Sustainability Report.
	2-14 Role of the highest governance body in sustainability reporting	Please reference "Corporate Governance: Board leadership and ESG governance" on page 46 of our Sustainability Report. Bakelite Synthetics' executive team is responsible for reviewing and approving sustainability-reported information.
	2-15 Conflicts of interest	Please refer to page 13 of Bakelite's <a href="#">Code of Conduct</a> . A link to the code can also be found on page 47 of our Sustainability Report.

Sustainability at  
Bakelite  
Synthetics

Environmental  
Impact

Social Impact

Governance



Appendix



GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 2: General Disclosures</b>	2-16 Communication of critical concerns	Please refer to pages 18-19 of Bakelite's <a href="#">Code of Conduct</a> . A link to the code can also be found on page 47 of our Sustainability Report.
	2-22 Statement on sustainable development strategy	Please reference "Message from our President and CEO, JP Aucoin" on page 4, and "Message from our EVP, Business Process and Sustainability, Andrea Croslyn" on page 9 of our Sustainability Report.
	2-23 Policy commitments	Please reference "Ethics and Code of Conduct: anti-corruption and human rights" on page 47 of our Sustainability Report.
	2-24 Embedding policy commitments	Please refer to pages 7-12 of Bakelite's <a href="#">Code of Conduct</a> . A link to the code can also be found on page 47 of our Sustainability Report.  Please refer to "Ethics and Code of Conduct: anti-corruption and human rights" on page 47 of our Sustainability Report.
	2-26 Mechanisms for seeking advice and raising concerns	Please refer to pages 18-19 of Bakelite's <a href="#">Code of Conduct</a> . A link to the code can also be found on page 47 of our Sustainability Report.
	2-29 Approach to stakeholder engagement	Please reference "Stakeholder Engagement" on pages 11-12 of our Sustainability Report.
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics.	Please reference "About this Report" on page 8, and "Sustainability Materiality Assessment" on page 13 of our Sustainability Report.  During the assessment process to determine material topics, 14 members from the executive committee and senior leadership, along with 3 shareholders, independently voted on the material topics. These topics were assessed by delving into a wide range of topics spanning environmental stewardship, people and safety, and product sustainability, alongside analyzing public data.
	3-2 List of material topics	Please reference "Sustainability Materiality Assessment" on page 13 of our Sustainability Report.
	3-3 Management of material topics	Please reference "About this Report" on page 8, and "Sustainability Materiality Assessment" on page 13 of our Sustainability Report.  The team took charge of material topics management, combining data analysis with industry knowledge gained through stakeholder interactions to formulate the initial materiality assessment.
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	Please reference "Materials and Innovation" on page 26 of our Sustainability Report.
	301-2 Recycled input materials used	Please reference "Supply Chain Sustainability" on pages 15-16 and "Reused and Recycled Content" on page 27 of our Sustainability Report.

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	Please reference "GHG Inventory" on page 53 of our Sustainability Report.
	302-2 Energy consumption outside of the organization	Please reference "GHG Inventory" on page 53 of our Sustainability Report.
	302-3 Energy intensity	Please reference "GHG Inventory" on page 53 of our Sustainability Report.
	302-4 Reduction of energy consumption	Please reference "Energy and Emissions" on pages 21-22 of our Sustainability Report.
	302-5 Reductions in energy requirements of products and services	Please reference "Energy and Emissions" on pages 21-22 of our Sustainability Report.
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	Please reference "Water Quality and Wastewater" on page 24 of our Sustainability Report.
	303-2 Management of water discharge-related impacts	Please reference "Water Quality and Wastewater" on page 24 of our Sustainability Report.
	303-4 Water discharge	Please reference "Water Quality and Wastewater" on page 24 of our Sustainability Report.
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	Please reference "GHG Inventory" on page 53 of our Sustainability Report.
	305-2 Energy indirect (Scope 2) GHG emissions	Please reference "GHG Inventory" on page 53 of our Sustainability Report.
	305-3 Other indirect (Scope 3) GHG emissions	Please reference "GHG Inventory" on page 53 of our Sustainability Report.
	305-4 GHG emissions intensity	Please reference "GHG Inventory" on page 53 of our Sustainability Report.
	305-5 Reduction of GHG emissions	Please reference "Our 2030 Sustainability Goals" on page 14, and "Energy and Emissions" on pages 21-22 of our Sustainability Report.
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	Please reference "Residuals and Waste Management" on page 25 and the "GHG Inventory" on page 53 of our Sustainability Report.
	306-4 Waste diverted from disposal	Please reference "Water Quality and Wastewater" on page 24 and "Residuals and Waste Management" on page 25.



GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	Please reference "Occupational Health and Safety" on pages 34-35 of our Sustainability Report, as well as Bakelite Synthetic's <a href="#">EHS Policy</a> .
	403-2 Hazard identification, risk assessment, and incident investigation	Please reference "Risk Management" on page 49, and "Occupational Health and Safety" on pages 34-35 of our Sustainability Report.
	403-4 Worker participation, consultation, and communication on occupational health and safety	Please reference "Occupational Health and Safety" on pages 34-35 of our Sustainability Report.
	403-5 Worker training on occupational health and safety	Please reference "Associate Development" on page 40, "Occupational Health and Safety" on pages 34-35, and "Environmental Management Systems" on page 20 of our Sustainability Report.
	403-6 Promotion of worker health	Please reference the Employee Assistance Programs (EAPs) on "Occupational Health and Safety" on page 35 of our Sustainability Report.
	403-8 Workers covered by an occupational health and safety management system	Please reference "Occupational Health and Safety" on pages 34-35 of our Sustainability Report.
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Please reference "People and Belonging" on page 41, and "Employment" on page 39 of our Sustainability Report. Please also reference our <a href="#">Code of Conduct</a> . A link to the code can also be found on page 47 of our Sustainability Report.
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Please reference "Supplier Relations" on page 48 and "Supply Chain Sustainability" on page 15-16 of our Sustainability Report, as well as Bakelite Synthetic's <a href="#">Code of Conduct for Suppliers and Other Third Parties</a> . A link to the code can also be found on page 48 of our Sustainability Report.
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	Please reference "Our Sustainability Path" on page 10 of our Sustainability Report.

# Forward-Looking Statements

This document contains forward-looking statements about Bakelite Synthetics' anticipated achievements in sustainability goals, enhancements in our Environmental, Social, and Governance (ESG) practices, and other related ambitions. These statements are grounded in our current expectations and beliefs as of this report's date and are subject to various uncertainties, risks, and changes in conditions that could significantly alter the outcomes.

The risks involve our capacity to effectively execute sustainability initiatives, adapt to evolving market dynamics, and manage environmental and social challenges, among other considerations. We recognize that future events and developments might lead to a shift in our expectations and assumptions, and we do not commit to updating these forward-looking statements unless it becomes a legal requirement.

**Sustainability at  
Bakelite  
Synthetics**

**Environmental  
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**Social Impact**

**Governance**

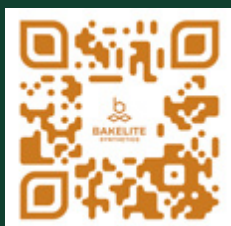


**Appendix**





# infinite solutions for a better tomorrow



Learn more about the vision,  
products, and history of  
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