



**RESONAC**

Graphite Business Unit

# SUSTAINABILITY REPORT

FY2023

# Index

## 1

Letter from the  
President and  
CEO  
3

## 2

About this  
report  
5

## 3

About  
Resonac  
Graphite  
Business  
Unit  
8

3.1 About us – Purpose and values.

3.2 Our business model -  
"We sell value – not volume".

3.3 Where we come from.

3.4 RGBU in the world - Main figures  
& financial excellence.

3.5 Milestone 2023.



## 4

Strategy  
26

4.1 Sparking Truth – ESG for transforming the society through  
the power of chemistry.

4.2 Together towards tomorrow.

## 5

Governance  
36

5.1 Governance System.

5.2 Ethics and Integrity.

5.3 Transparency.

## 6

Environment  
52

- 6.1 Decarbonization.
- 6.2 Circular economy.
- 6.3 Other environmental aspects.



## 7

Social  
72

- 7.1 People.
- 7.2 Together towards Change.
- 7.3 GO ANZEN NI - Safety Culture at work.
- 7.4 Our value chain.
- 7.5 Our communities.

## 8

Annexes  
89

- 8.1 GRI content index.



# 01

## LETTER from the PRESIDENT and CEO

*Former President and CEO, Resonac Graphite Business Unit (RGBU).*



Dear colleagues of Resonac Graphite Business Unit,

As I reflect on my tenure as CEO of the Resonac Graphite Business Unit, I am filled with pride and gratitude for the incredible journey we have undertaken together. 2023 marked a pivotal year for us—a year of profound transformation and renewed purpose.

Our business has faced significant challenges, from fluctuating market demands to the evolving landscape of global sustainability. Despite these hurdles, we have demonstrated resilience and innovation, reinforcing our position as a leader in the graphite industry. Our commitment to quality, excellence, and ethical practices has allowed us to navigate these complexities while delivering unparalleled value to our customers and stakeholders.

**Vision for Sustainability and Evolution.**

Sustainability is at the heart of our operations and vision. We have made substantial progress in reducing our carbon

footprint, optimizing resource efficiency, and enhancing the sustainability of our supply chain. Our investment in cutting-edge technologies and sustainable practices underscores our dedication to not only meet but exceed industry standards.

Our evolution is driven by a holistic approach that integrates environmental stewardship, social responsibility, and economic viability. We are committed to fostering a culture that prioritizes innovation and embraces change, ensuring that we remain at the forefront of the graphite market.

When I transitioned from my role as CEO of the Resonac Graphite Business Unit (RGBU), I was confident that César Castiñeira would bring his experience, a dynamic vision, and a profound commitment to our core values to build on our past and create a future where RGBU will continue to thrive and expand its impact.

Looking ahead, our strategy focuses on three pillars: innovation, partnership, and value creation. We will continue to invest in research and development

to pioneer new applications for graphite, driving advancements that align with Sustainable Development Goals (SDGs). Our innovation agenda includes exploring novel technologies that enhance the efficiency and performance of our products.

**Our strategy focuses on three pillars: innovation, partnership, and value creation.**

Collaboration is key to our success. We will strengthen our partnerships with industry leaders, academic institutions, and community organizations. By leveraging collective expertise, we aim to accelerate our sustainability initiatives and foster a more equitable supply chain.

Our goal is to create enduring value for our customers, employees, and shareholders. This involves not only financial growth but also contributing to a better, more equitable society. We are committed to initiatives that promote diversity, equity, and inclusion within our

organization and beyond. Above all, we believe in the value of people, in their talent and in their ability to improve the world. As a world leader in the production of Graphite Electrodes (GE), used in the infinite recycling process of steel, we know that sustainability today is a way of life and a way of understanding the world. The decarbonization of industry and its incorporation into every aspect of our company is a challenge that demands solutions. Our business unit, thanks to the work we have carried out in recent years, is getting closer to a sustainable solution every day.

Thank you for your dedication, collaboration, and unwavering support throughout this remarkable journey. I am excited to see Resonac Graphite Business Unit continue to lead and innovate in the years to come.

**Makoto Takeda**

# LETTER from the PRESIDENT and CEO

*President and CEO,  
Resonac Graphite Business Unit (RGBU).*

Former President and CEO, EMEA  
COO, Graphite Business Unit.



Dear stakeholders of Resonac Graphite Business Unit (RGBU),

In 2023, the world has suffered the aftermath of a global pandemic, learned to navigate geopolitical uncertainty, and adapted to a new norm of high inflation and low global economic growth. In this environment, the RGBU has strengthened its market position, increased its market share, completed the acquisition of AMI, and developed a communication strategy to enhance the value of our new brand, Resonac.

As key players in the steel sector, we have witnessed how our industry has achieved significant milestones in human development throughout history. Now, we stand at a critical juncture to continue leading this path, steering our industry towards a more innovative and sustainable future.

In 2024, I have the honor of assuming the role of CEO of Resonac Graphite Business Unit. It is my aim to initiate a significant transformation that,

while upholding our core pillars under our "Koseiha business" – representing stability and long-term vision – and our "Bad News First" policy – acknowledging and confronting challenges head-on, will lead us towards a brighter future: "Together towards tomorrow. Together towards sustainability. Together towards change."

At this critical juncture, we are committed to customer centricity as we lead our industry towards a more innovative and sustainable future.

With Sparking Truth as the driving force behind our vision of a sustainable company, we are prepared to tackle numerous challenges, not only in decarbonization, where we have always sought efficiency in resource utilization, but also in governance and within our communities. Given the current scenario, it is essential

to invest in green energy, preserve finite raw materials, and, where possible, recycle the waste generated by our activities. This commitment is shared across the entire industry, and even extends to human activity.

We firmly believe in people as the cornerstone of our strategy. We nurture and promote talent, advocating for a sustainable business that benefits our communities, families, and employees. We aim to drive progress in the communities where we operate, striving to be the "Employer of Choice," because only then will we also become suppliers of choice and stakeholders of choice, forging strong and lasting partnerships based on transparency and co-creation in both our professional and personal relationships.

We are part of a global business. Our plants, our people, and our resources are spread across the world, making RGBU an example of diversity, tolerance, acceptance, and understanding

of different realities and cultures. Gender equality is essential within our family. Women are taking their place in our industry, breaking barriers, and contributing to growth and innovation.

Our collaboration with AMI Automation is pivotal in our digitalization efforts. As boundaries between companies increasingly blur, we seek to collaborate more intensively and effectively. Agility, speed, integrity, and results-oriented approaches are values that guide us in every action.

With this transformation, Resonac Graphite Business Unit embarks on a journey towards an ignited future.

Are you in?

César Castiñeira

A stylized, handwritten signature in black ink, appearing to read 'César'.



## 02

About  
this  
report

The objective of this report is to communicate the performance of Resonac Graphite Business Unit (RGBU) to different stakeholders in terms of Sustainability, creating short, medium, and long-term value in the areas of Environmental, Social, and Governance (ESG) as our foundation.



# SCOPE OF THE SUSTAINABILITY REPORT

## RESONAC Graphite Business Unit

This sustainability report has been prepared by Resonac Graphite Business Unit, whose main activity is the production of Graphite Electrodes as part of the Resonac Corporation group based in Japan.

This Report covers the period from January 1 to December 31, 2023. The scope of the information it contains corresponds to the activity of the companies listed below that make up the Resonac Graphite Business Unit, located in Spain, United State of America, Austria, Germany, Japan, Malaysia, Italy and China.

[Resonac Graphite Spain S.A.U.](#)

[Resonac Graphite America Inc.](#)

[Resonac Graphite Austria GmbH](#)

[Resonac Graphite Germany GmbH](#)

[Resonac Graphite Japan Corporation](#)

[Resonac Graphite Malaysia Sdn. Bhd](#)

[Resonac Graphite Italy S.r.l](#)

[Showa Denko Sichuan Carbon, Inc.](#)



● RGBU production plants in 2023

● RGBU offices in 2023



Gersthofen Office (Germany)

# CONTENT OF THIS REPORT AND PREPARATION CRITERIA

For the preparation of this report, both the requirements of the GRI (Global Reporting Initiative) standards and our corporate standards have been taken into account on a voluntary basis, but these have not been subjected to independent external verification. Similarly, regarding non-financial information and diversity, EU Directive 2018/2001 has been used as a reference.

## Principles for preparing this report

When preparing the report, the principles for preparing reports included in GRI 1 (Fundamentals) have been followed:

**ACCURACY:** presenting information that is correct and detailed enough to allow an assessment of the organization's impacts.

**BALANCE:** present information without bias and make a fair representation of the negative and positive impacts of the organization.

**CLARITY:** present information in a way that is accessible and understandable.

**COMPARABILITY:** systematically selecting, compiling, and presenting information to facilitate both the analysis of changes in the organization's impacts over time and the analysis of these impacts relative to those of other organizations.

**EXHAUSTIVENESS:** present sufficient information to evaluate the impacts of the organization during the period covered by the report.

**SUSTAINABILITY CONTEXT:** present information about its impacts in the broader context of sustainable development.

**PUNCTUALITY:** present information on a regular schedule and make it available to the public in time for its users to make decisions.

**VERIFIABILITY:** collecting, recording, compiling, and analyzing information so that the information can be examined to determine its quality.



Operator at A Coruña Plant (Spain)

## Contact information

For any clarification on the information reflected in this sustainability report or on any aspect of the RGBU's sustainability performance, you can contact [Resonac Graphite Business Unit](#) at the following address:

[RGBU\\_sustainability@resonac.com](mailto:RGBU_sustainability@resonac.com)



# 03

## About Resonac Graphite Business Unit

Graphite Electrodes (GE)

**3.1** About us – Purpose and values.

**3.2** Our business model -  
“We sell value – not volume”.

**3.3** Where we come from.

**3.4** RGBU in the world – Main figures  
& financial excellence.

**3.5** Milestone 2023.



## 3.1

# ABOUT US – PURPOSE AND VALUES

Resonac Graphite Business Unit is the leading producer and supplier of Graphite Electrodes worldwide. Our product serves as a vital component in the Electric Arc Furnace (EAF) steel-making process.

We take pride in fostering sustainable societal progress by supporting the efficient use of recycled steel.

With a legacy spanning over a century, RGBU is dedicated to crafting high-quality electrodes

tailored to EAF, Ladle Furnaces, and non-ferrous smelting applications.

RGBU is a subsidiary of Resonac Holdings Corporation, a collection of chemical companies producing petrochemicals, chemicals, inorganics, aluminum, and electronics.

With a workforce of approximately 26,000 employees worldwide, Resonac continues to innovate and deliver specialized products that meet the evolving needs of our global clientele.



# RESONAC GRAPHITE BUSINESS UNIT WORLD WIDE

● RGBU production plants in 2023

● RGBU offices in 2023

Resonac's Graphite Electrodes are produced globally at six locations and delivered to customers around the world. Our regional presence enables short lead times and reliable supply chains, ensuring that our customers' needs are met quickly and efficiently.



AMERICA



EMEA



ASIA



## OUR PURPOSE



Change society through  
the power of Chemistry.

## OUR VISION



We are the Global Leaders  
in Graphite-Related  
Products and Technologies,  
focused on safety and  
sustainability. With our  
people at our core, we will  
strive be the employer and  
supplier of choice.

## OUR MISSION



We drive sustainable  
Advancement of  
Society through our  
People, Partnership, and  
Innovative Technologies  
across multiple Graphite  
Markets.

1600

world wide  
employees  
Resonac Graphite  
Business Unit

every second our products melt

3.80

tons of steel

6

world wide  
production sites



Banting Plant (Malaysia)



A Coruña Office (Spain)

## OUR CORPORATE VALUES

### Passionate & Results-Driven

By infusing our work with pride and passion, leveraging our strengths, and focusing on performance, we strive to become a globally recognized industry leader in sustainability.



### Agile & Flexible

Through experiential learning, flexible thinking, and swift action, we evolve into a dynamic organization capable of rapidly adapting to the changing demands of sustainability.



### Open Minds & Open Connections

In demonstrating mutual trust and respect, and fostering collaboration that transcends boundaries, we seek to optimize value with all our stakeholders. Our open-minded approach encourages the exchange of ideas and innovations in sustainability.



### Solid Vision & Solid Integrity

We acknowledge the power and potential of chemistry and prioritize sustainability for future generations. Our solid vision is rooted in the belief that sustainable practices are integral to long-term success. By upholding our values of integrity with all stakeholders, we ensure that our synthetic graphite production processes are transparent, ethical, and environmentally responsible.





## 3.2

# OUR BUSINESS MODEL – “WE SELL VALUE – NOT VOLUME”

We, Resonac's Graphite Business Unit, are the world's leading producer and supplier of Graphite Electrodes. Our product is a crucial part in the world's largest recycling process: The recycling of steel in Electric Arc Furnaces (EAF).

RGBU has been making high-quality electrodes for use in Electric Arc Furnaces (EAF), Ladle Furnaces (LF), and non-ferrous smelting applications with over 100 years of experience and delivering to steel makers worldwide.

We provide its customers and partners:

A diverse portfolio for steel and non-ferrous applications.

Global expertise in Electric Arc Furnaces (EAF) applications.

Localized sales and technical support in 40+ countries.

Customer-centric collaboration for optimal outcomes. Electrodes are produced at six global locations, ensuring swift and reliable delivery worldwide.



We enable a sustainable advancement of society by helping to recycle steel in an efficient and environmentally friendly way.





Steeg Plant (Austria)

# PRODUCT OVERVIEW

## Graphite Electrodes

Graphite Electrodes are primarily used in the production and recycling of steel.

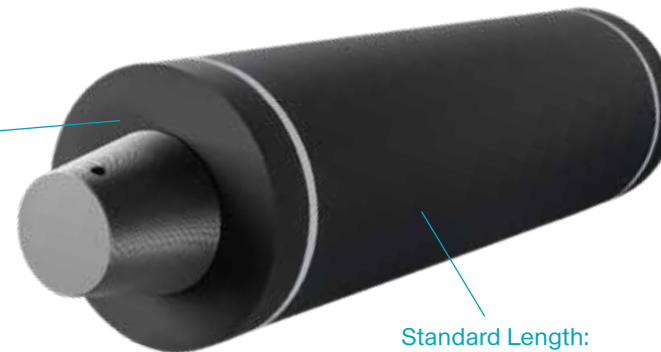
During the process, steel scrap is melted in a large crucible (furnace) by an electric arc. This is the genesis of the name "Electric Arc Furnace" (EAF). The arc is a channel of ionized air through which electric current passes from the electrode into the steel scrap. In the steel mill, the furnace is loaded with steel scrap. Then, one column (direct current furnace) or three columns (alternating current furnace) consisting

of multiple Graphite Electrodes screwed on top of each other are introduced and the arc is ignited. The arc is maintained for a few minutes so that a generated temperature of around 3500 degrees Celsius can rapidly melt the scrap in the furnace. The molten steel is then poured off for further processing.

The Graphite Electrode is consumed during the melting process – primarily through oxidation. As the electrode wears down, it must be replaced by a new one. The quality of an electrode is typically measured by the rate of consumption per liquid ton of steel melted. The lower the consumption rate, the better for electric steelmakers.

### Standard Diameter:

350 – 800 mm  
14 – 32 inches



### Typical Weight:

0.3 – 3.2 tons

### Typical consumption rate:

1 – 2 kg graphite per ton  
of liquid steel

### Standard Length:

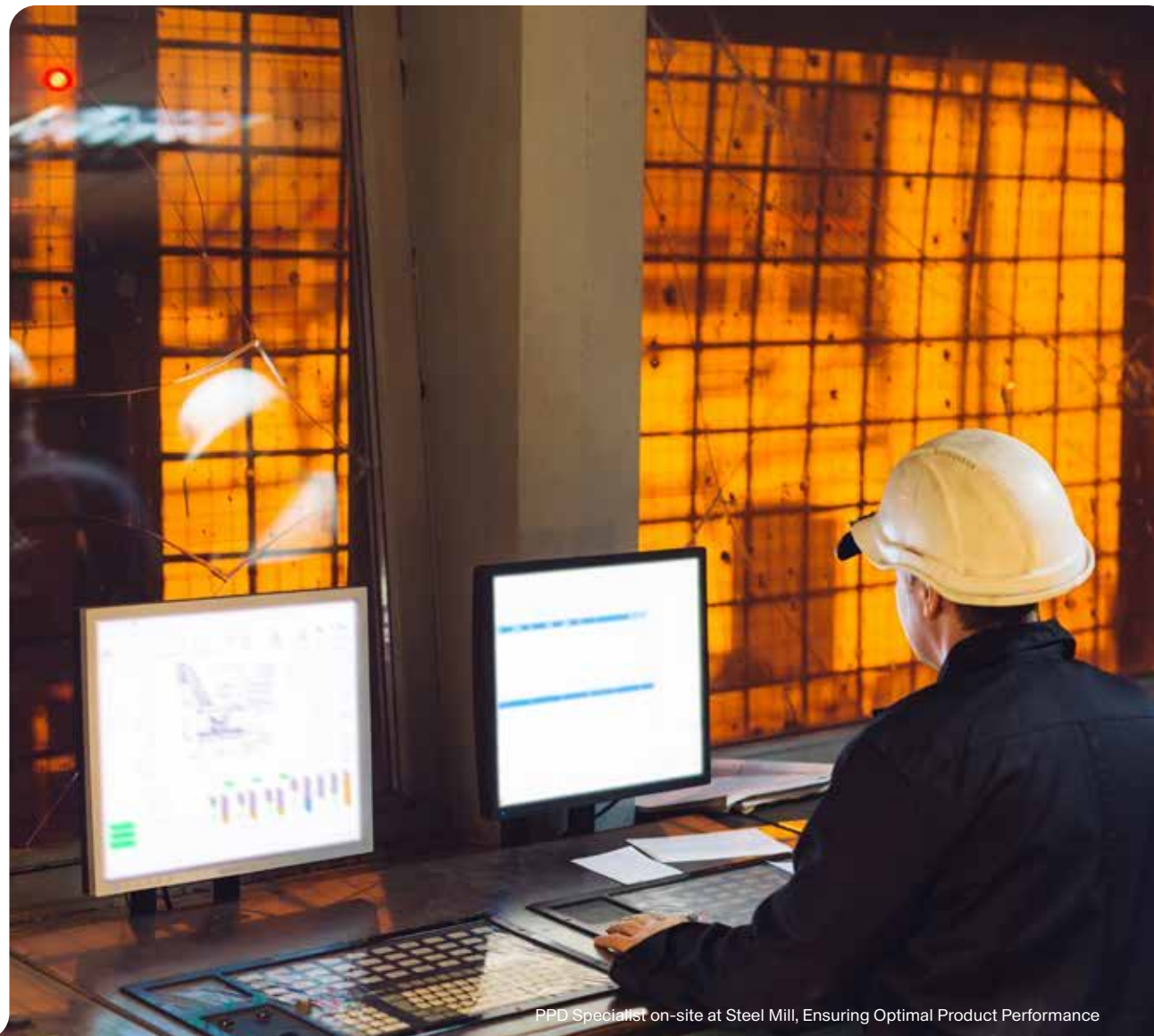
1,500 – 3,600 mm  
60 – 142 inches

Please [click here](#) to download a copy of our Resonac Graphite technical brochure.

## Product Performance Development

Our commitment goes beyond Graphite Electrodes sales. Our global network of PPD (Product, Performance, and Development) experts is dedicated to addressing many topics related to our products and their applications. Whether it is providing training on electrode handling, conducting performance evaluations and analyses, or engineering tailored solutions for specific needs, our PPD experts ensure that our clients maximize the benefits of our products.

With a wealth of experience within our team, we bring innovative applications of product and process knowledge. We actively listen to our clients, considering their ideas as opportunities for co-creation. Having supplied Graphite Electrodes to over 2,000 Electric Arc Furnaces worldwide, we possess a profound understanding of the diverse applications of EAF steelmaking. Our PPD experts are eager to partner with our customers' technical and operational teams, offering a full range of support to meet their needs.



PPD Specialist on-site at Steel Mill, Ensuring Optimal Product Performance



Banting Office (Malaysia)

# "WE SELL VALUE – NOT VOLUME"

At our core, we believe in the philosophy of "We sell value - not volume". This isn't just a catchy slogan; it's a fundamental principle that drives everything we do. We go beyond simply supplying a certain quantity of Graphite Electrodes. Our true passion lies in understanding what value truly means to our customers.



This dedication to value-driven solutions is perfectly exemplified by the birth of our  $\Omega$ mega Electrode, developed based on the needs of our customers.

$\Omega$ mega is just one example of how our dedication to understanding value translates into tangible benefits for both our customers and the environment. This innovative Ladle Furnace Electrode is manufactured in Europe using 100% renewable electricity.



We believe this is just the beginning. By relentlessly pursuing a deep understanding of customer value, we are confident that we can continue to develop groundbreaking solutions that push the boundaries of what's possible in the Graphite Electrode industry.

In 2023, we acquired AMI Automation, a technology company specializing in advanced solutions to enhance the efficiency and sustainability of scrap melting processes.

AMI Automation's innovative technology uses AI (Artificial Intelligence) and machine learning to analyze real-time data from the Electric Arc Furnace (EAF),

optimizing the process and reducing energy consumption, emissions, and waste.

In addition to the environmental benefits, the technology from AMI Automation also provides significant economic benefits to our customers. By optimizing the EAF, they can reduce their operating costs and improve their productivity. This can lead to a significant increase in profitability.

We believe that the acquisition of AMI Automation has been a major success and has made us a more valuable partner for our customers. We are confident that the technology they developed will continue to benefit our customers for many years.

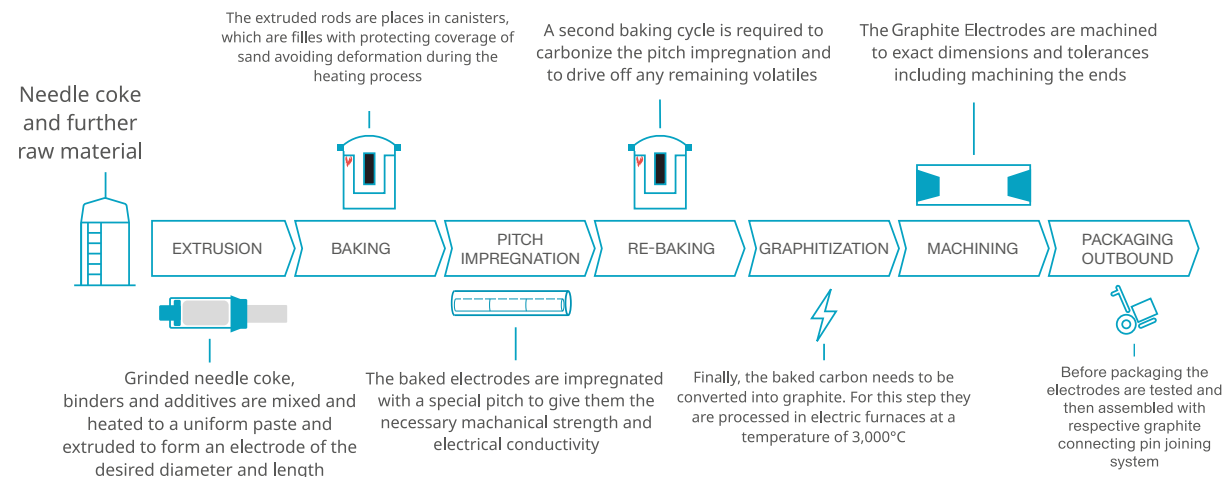


## PRODUCTION OF GRAPHITE ELECTRODE

The production of our Graphite Electrodes starts with needle coke and binder pitch, undergoing a precise and controlled process that transforms these raw materials into a highly refined and versatile product. Unlike natural graphite, which is extracted from mines, our synthetic graphite is meticulously manufactured to meet exacting standards, ensuring unmatched consistency, purity, and performance.

This synthetic graphite exhibits exceptional conductivity, resilience, and durability, making it ideal for use in demanding high-temperature industrial processes. Our controlled production process allows for enhanced control over its properties, resulting in electrodes that are not only reliable and efficient but also sustainable. This ensures our Graphite Electrodes deliver superior performance and longevity, meeting the highest expectations of our customers.

### PRODUCTION OF GRAPHITE ELECTRODES



## 3.3

# WHERE WE COME FROM

## SHOWA DENKO is now RESONAC

On January 1, 2023, Showa Denko K.K. and Showa Denko Materials Co., Ltd. merged and transformed themselves into newly integrated company "Resonac". Resonac Group positions the launch of the newly integrated company as "the second inauguration," aiming to become a world-leading chemical company with advanced functional materials through further transformation efforts.

**Resonac Holdings Corporation:**  
a holding company, formerly Showa Denko K.K.

**Resonac Corporation:**  
an operating company, formerly Showa Denko Materials Co., Ltd.

The newly integrated company Resonac defines its purpose as

***"Change society through the power of chemistry."***

To achieve technological innovation for solving various social issues, however, it is essential for us to make wide-ranging co-creative efforts with partners. As a "Co-creative Chemical Company," Resonac aims to ensure sustainable growth and enhance enterprise value through such co-creative efforts.

The name "Resonac" was created as a combination of the word "Resonate" and "C" as the first letter of "Chemistry". We put into this name our hope that the Group's wide-ranging and flexible advanced material technologies will be connected and resonate with our partners' various technologies and ideas to realize bright future, and the resonance will spread further to meet new partners, thereby creating a powerful surge that changes society.

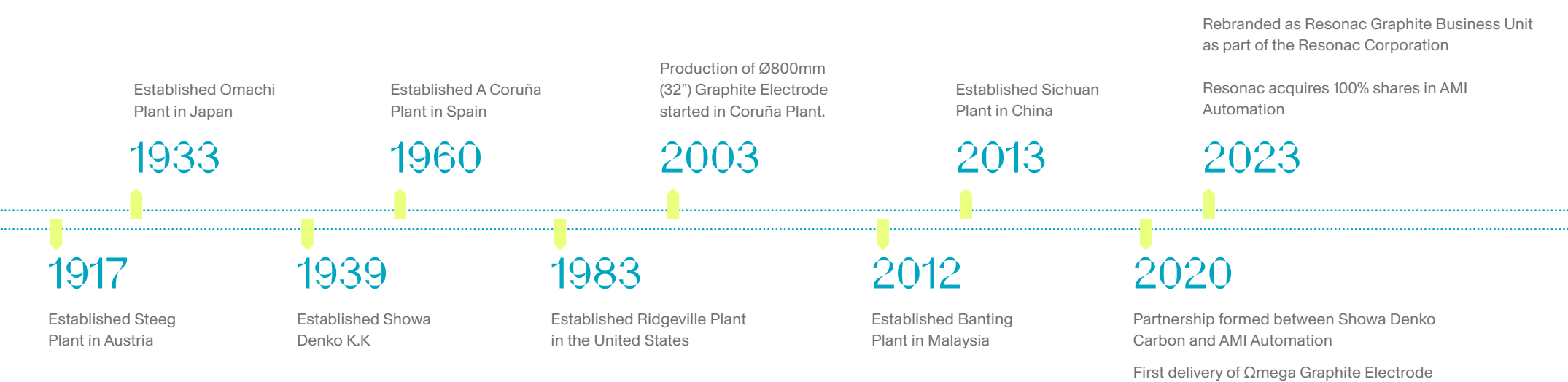


Before

**RESONAC**

After

Company Timeline



Needle Coke Ready for Graphite Electrode Production



## KOSEIHA: A Long-Term Approach to Business Sustainability

The Graphite Electrode market is highly cyclical, with periods of high demand followed by periods of oversupply and depressed prices. This volatility can make it difficult for businesses to plan for the future and invest in long-term sustainability initiatives.

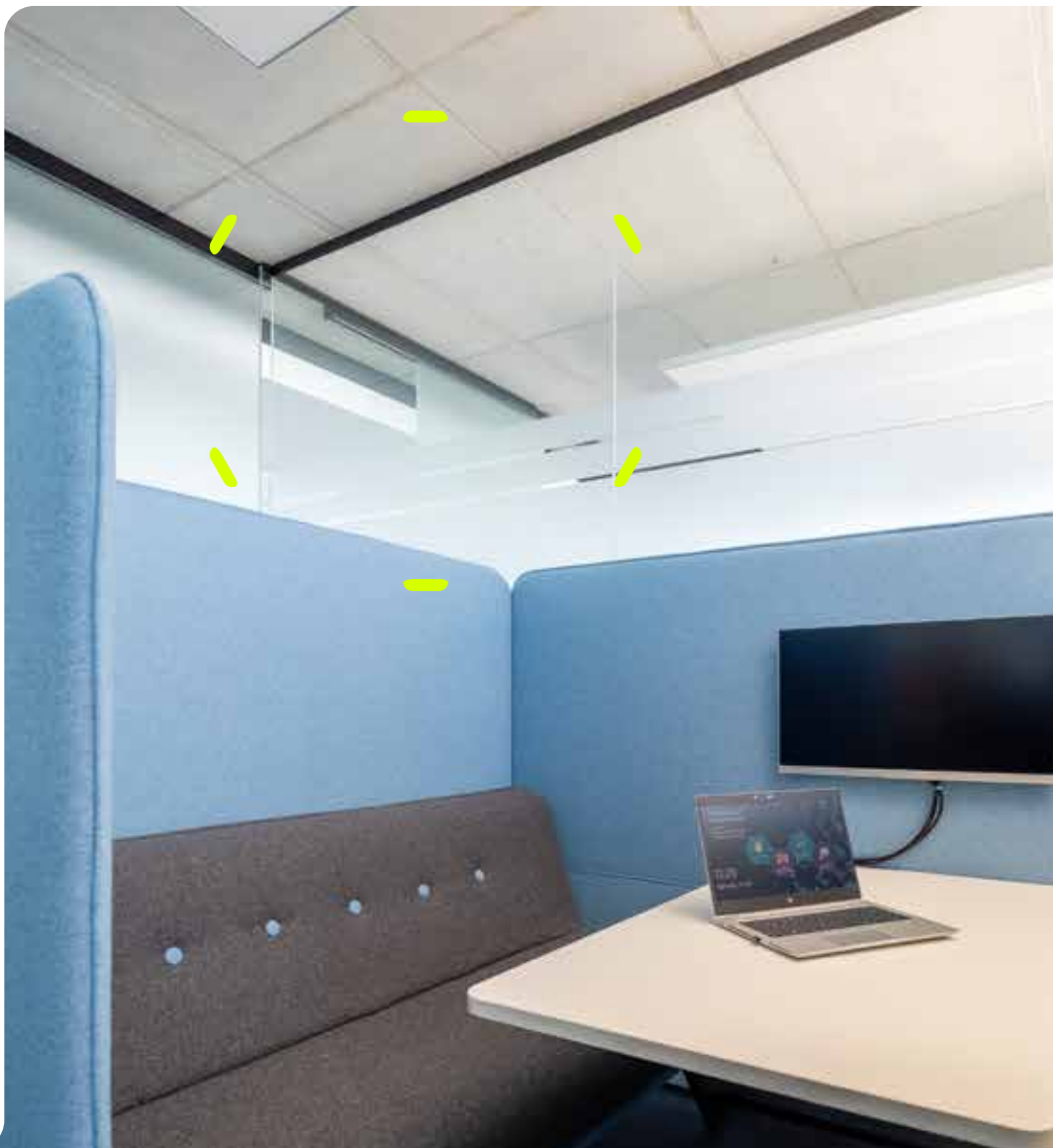
KOSEIHA is a Japanese term that means "to stabilize." It is a business philosophy that emphasizes long-term relationships with customers and suppliers. KOSEIHA is based on the idea that by working together, businesses can create a more stable and sustainable market for everyone.

At RGBU, we believe that KOSEIHA is essential for the long-term sustainability of our business. We are committed to building strong, mutually beneficial relationships with our customers and suppliers. We believe that these relationships will help us endure the ups and downs of the market and continue to grow and thrive in the years to come.

KOSEIHA helps to stabilize earnings and reduce risk. It also gives us access to new markets and customers.

For our customers, KOSEIHA means a secure supply of high-quality products at competitive prices.

For our suppliers, KOSEIHA means a stable market and long-term contracts.



## 3.4

# RGBU IN THE WORLD – MAIN FIGURES & FINANCIAL EXCELLENCE

## Resonac Graphite Business Unit in the world

Our Graphite Electrodes are produced at six sites and delivered to our customers worldwide. A strong regional concept ensures short lead times, reliable supply chains and an ability to cater closely to our customers' needs. We have production plants in the following countries:



### Name:

Resonac Graphite Spain S.A.U (A Coruña, Spain).

### Scope of Business:

Development and production of Graphite Electrodes (GE).

### Main Products:

Φ550mm (22") – Φ800mm (32") Graphite Electrodes.



### Name:

Resonac Graphite America, Inc. (Ridgeville, South Carolina).

### Scope of Business:

Development and production of Graphite Electrodes (GE) and granular and powdered graphite and carbon materials.

### Main Products:

350mm (14") – 800mm (32") Graphite Electrodes and granulated graphite products for the automotive friction market.



**Name:**  
Resonac Graphite Malaysia Sdn. Bhd (Banting, Malaysia).

**Scope of Business:**  
Development and production of Graphite Electrodes (GE).

**Main Products:**  
Φ450mm (18") – Φ800mm (32") Graphite Electrodes.



**Name:**  
Resonac Graphite Austria GmbH (Steeg, Austria).

**Scope of Business:**  
Development and production of Graphite Electrodes (GE) and granular and powdered graphite and carbon materials.

**Main Products:**  
Φ350mm (14") – Φ600mm (24") Graphite Electrodes.



**Name:**  
Resonac Graphite Japan Corporation (Omachi, Japan).

**Scope of Business:**  
Development and production of Graphite Electrodes (GE).

**Main Products:**  
Φ200mm (8") – Φ800mm (32") Graphite Electrodes and corresponding connecting pins.



**Name:**  
Showa Denko Sichuan Carbon, Inc. (Sichuan, China).

**Scope of Business:**  
Development and production of Graphite Electrodes (GE).

**Main Products:**  
Φ350 mm (14") – Φ700mm (28") Graphite Electrodes.

Graphite Electrodes Ready for Shipment







Gersthofen Office (Germany)

## FINANCIAL STRATEGY FOR SUSTAINABLE GROWTH

Throughout 2023, the Resonac Graphite Business Unit remained committed to generating positive impacts for society and creating long-term value for all stakeholders. This dedication was reflected in our financial performance, with our turnover reaching 757,392 K USD. However, instead of focusing solely on short-term financial results, we have prioritized the execution of strategic initiatives to ensure the sustainability of our business and drive innovation.

In the face of a substantial oversupply of capacity, the GE industry has experienced a significant decrease in prices and widespread, severe financial losses. RGBU has also endured these market conditions, resulting in negative operating margins. Despite these challenges, our focus on long-term financial stability and sustainability has driven significant progress in enhancing our production processes, investing in new technologies, and exploring opportunities in emerging markets such as electric vehicle battery materials.

Although the current pricing environment is not

sustainable in the long term, we remain committed to our core values of innovation, quality, and customer satisfaction. This approach will allow us to maintain our market leadership and recover sufficient returns to reinvest in our business. Financial stability is key to ensuring that we can continue investing in new technologies, improving processes, and generating a positive environmental and social impact.

As we navigate these challenging times, we aim to invest in technology, enhance our product offerings, and deliver exceptional value to our clients. Our goal is to ensure that our customers receive and appreciate the best possible solutions while also promoting a more sustainable industry landscape.

These efforts underscore our commitment to strategic leadership, financial stability, and sustainability, contributing to a more prosperous and sustainable future for all our stakeholder.

We believe that all stakeholders who are equally committed to sustainability will understand and support this necessary adjustment. By taking a proactive approach, we aim to secure the long-term viability of our business and, in turn, continue contributing to a more sustainable future for the industries we serve.

Are **you** IN?

# TAX APPROACH AND DISCLOSURES

We are committed to paying our fair share of taxes and to complying with all applicable tax laws and regulations.

Our tax approach is based on the following principles, included in the RGBU's Tax Code of Conduct, which applies to the RGBU.

The RGBU, in accordance with its Purpose of *"Change society through the power of chemistry"* will contribute to the sustainable development of global society by creating functions required by the times as an advanced material partner.

We set our tax code of conduct as follows to fulfill our taxpaying duty in an appropriate manner.



## BASIC PHILOSOPHY

The RGBU recognizes the contribution to the growth of society through the payment of taxes in all operating regions is a corporate social responsibility.



## RELATIONSHIP WITH THE TAX AUTHORITY

The RGBU will endeavour to provide accurate and prompt information to the tax authorities of each country and region where it operates.



## COMPLIANCE

The RGBU will comply with the applicable legislation in each country in which it operates, following the OECD (Organisation for Economic Co-operation and Development) model tax treaty and transfer pricing guidelines.



## APPROPRIATE RESPONSE TO TRANSFER PRICING TAXATION

The RGBU determines transfer pricing based on the arm's length principle, considering functions, risks, assets, and contributions to profit. We apply prior price agreements to reduce fiscal risks and build consensus with tax authorities.



## INTERNAL SYSTEM FOR COMPLIANCE

The RGBU allocates the right human resources to manage tax issues accurately. Through continuous training, we improve tax compliance awareness to get quick answers about new tax systems and regulations in all operating regions.



## SCOPE OF APPLICATION OF THE TAX CODE OF CONDUCT

This tax code of conduct shall apply to the transactions conducted by all constituent entities of the RGBU.



## TAX GOVERNANCE

The chief financial officer (CFO) is responsible for the fiscal governance of the RGBU. Under their leadership, Resonac's Tax Management Department collaborates with the Group's accounting departments to jointly address tax issues.



## NATURE OF THE TAX CODE OF CONDUCT

This code of conduct complements the RGBU's corporate philosophy and code of conduct and is a declaration of our firm promise with our stakeholders.



## TAX PLANNING

The RGBU will make the payment of the corresponding taxes using preferential tax systems and similar, increasing its corporate value. We will not engage in tax planning without relevant business activities or tax avoidance using tax havens.



Gersthofen Office (Germany)



Tokyo Headquarters Office (Japan)

3.5

## MILESTONES 2023



SOCIAL

1<sup>st</sup> Our Way to Excellence (OWEX) training – talent development

OWEx Forum

Launch of Employer of Choice (EoC) program



17.3% reduction in GHG emissions (scope 1+2) vs 2013 (base year)

ENVIRONMENTAL



Resonac acquires 100% Shares in AMI Automation

Silver Medal in ECOVADIS for 2 plants (Steeg & A Coruña)

Develop of our sustainability brand – Sparking Truth

GOVERNANCE





# 04

## Strategy

- 4.1. Sparking Truth – ESG for transforming society through the power of chemistry.
- 4.2. Together towards tomorrow.

Sparking Truth Sustainability Brand Launch Event, A Coruña (Spain)

**RESONAC**  
Graphite Business Unit

4.1

Sparking Truth

## SPARKING TRUTH – ESG FOR TRANSFORMING THE SOCIETY THROUGH THE POWER OF CHEMISTRY

RGBU Sustainability Brand Launch Event

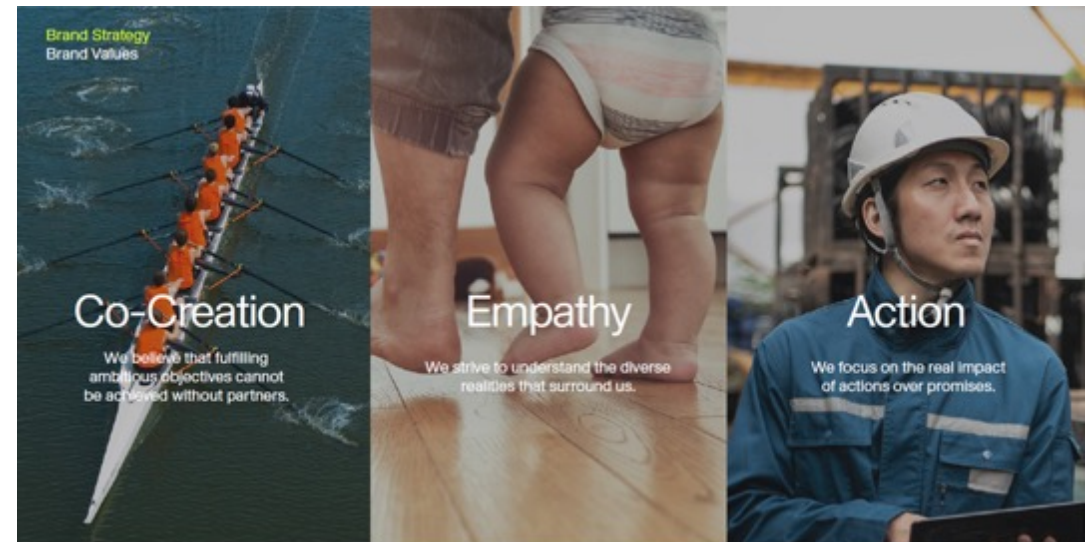


Sparking Truth

### Together towards sustainability

In our commitment to sustainability, we strive to build an organization that embodies the principles of WE ARE ENVIRONMENT, WE ARE SOCIAL and WE ARE GOVERNANCE, ultimately reflecting our core identity as WE ARE SUSTAINABLE. We believe that the time has come to stop talking and start doing!

RGBU's sustainability brand, Sparking Truth, represents an exciting milestone propelling us together towards a more sustainable and responsible future.



Why Sparking Truth?

Sparking Truth encapsulates our commitment to ignite a spark of real and meaningful change in the realm of sustainability. We want to demonstrate through concrete actions that achieving a balance between development and environmental responsibility is possible. We invite all our stakeholders to join this movement because sustainability is not a task we can achieve alone.

This spark initiates a motor of change, contributing to more equitable work and spreading the fervor for a greener environment. Our mission with Sparking Truth is to create a movement where every action, no matter how small, contributes to positive change. We can ensure that our operations and products not only meet the highest sustainability standards but also inspire others to follow our lead. Sustainability is more than just a corporate objective; it is a promise to future generations.

This new strategy is aligned with our brand values of Co-Creation, Empathy, and Action. We believe that fulfilling ambitious objectives cannot be achieved without partners, that we strive to understand the diverse realities that surround us, and focus on the real impact of actions over promises. Together, we can transform society through the power of chemistry and a shared commitment to sustainability.

Manifesto of Sparking Truth

*It seems incredible that the 21st Century has managed to make sustainability look unsustainable.*

*Sustainability is a term we have already exploited beyond our capacity.*

*So much so that it paradoxically risks vanishing into smoke.*

*It's time to halt the talk and initiate the action.*

*While others are thinking about the present, jeopardizing the future, we believe that the time has come to do something different.*

*And we won't do it because the planet is sending us signals. Nor should it be done just to hit the headlines. We shouldn't do it just because others are doing it.*

*We will do it because we know it is the right thing to do.*

*And we know this because experience and the passage of time have taught us so.*

*The time to restore truth to sustainability has come.*

*And let me ask you something.*

*Are you in?*

*Because this is something we cannot achieve alone.*

*Yes, we know It may seem like a monumental shift.*

*But all we need to do is start up the engines. And like any engine, it ignites with a single spark.*

*That precise moment in time where energy transforms into action.*

*A spark to initiate a motor of change.*

*A spark contributing to more equitable work.*

*A spark spreading the fervor for a greener surrounding.*

*A spark turning sustainability back into a reality.*

*A spark uniting us all.*







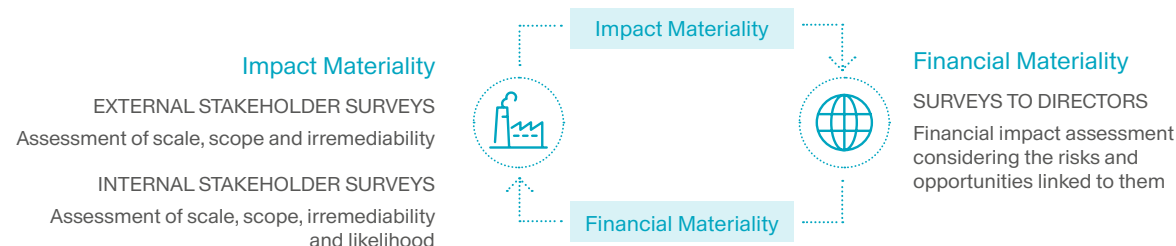
A Coruña Plant (Spain)

## OUR RELEVANT ESG ASPECTS – DOUBLE MATERIALITY

In order to assess both the internal and external impact of our organization, we implemented a strategic Double Materiality Analysis. This analysis allows us to identify not only the most relevant Environmental, Social, and Governance (ESG) issues for our stakeholders but also to understand how these issues affect our financial capacity and long-term sustainability. Following the guidelines set by Global Reporting Initiative (GRI) and the EU Sustainability Reporting Standards (ESRS)

developed by the European Financial Reporting Advisory Group (EFRAG), we evaluate how our activities impact the environment and society, while considering how these impacts may influence our financial viability. This comprehensive approach ensures that our strategies are not only environmentally and socially responsible but also financially sound, aligned with the goals of sustainable value creation for all our stakeholders.

Implementing Double Materiality not only strengthens our ability to manage sustainability-related risks and opportunities but also enhances transparency and accountability in our reporting. By integrating this methodology into our materiality analysis, we aim not only to comply with regulatory standards but also to lead in value creation through responsible and sustainable business practices. This approach enables us to prioritize actions that benefit both our company and the communities in which we operate, ensuring comprehensive management of environmental and social impacts critical to our long-term success.



# PHASES OF THE MATERIALITY ANALYSIS

## Phase 1

### Understanding the Context

- Review internal documentation.
- Identify actual and potential impacts.

## Phase 2

### Assessing Material Impacts, Risks and Opportunities (IRO)

- Evaluate impacts using scoring criteria: consider scale, scope, irremediability and likelihood of impacts.

## Phase 3

### Result of the Double Materiality Analysis



Shipping-Ready Graphite Electrodes

### Data-Driven Sustainability: Implementing a Collection Tool for Enhanced Reporting

In 2023, Resonac Graphite Business Unit took a significant step towards improving our sustainability reporting by implementing a comprehensive environmental, social, and governance (ESG) data management tool.

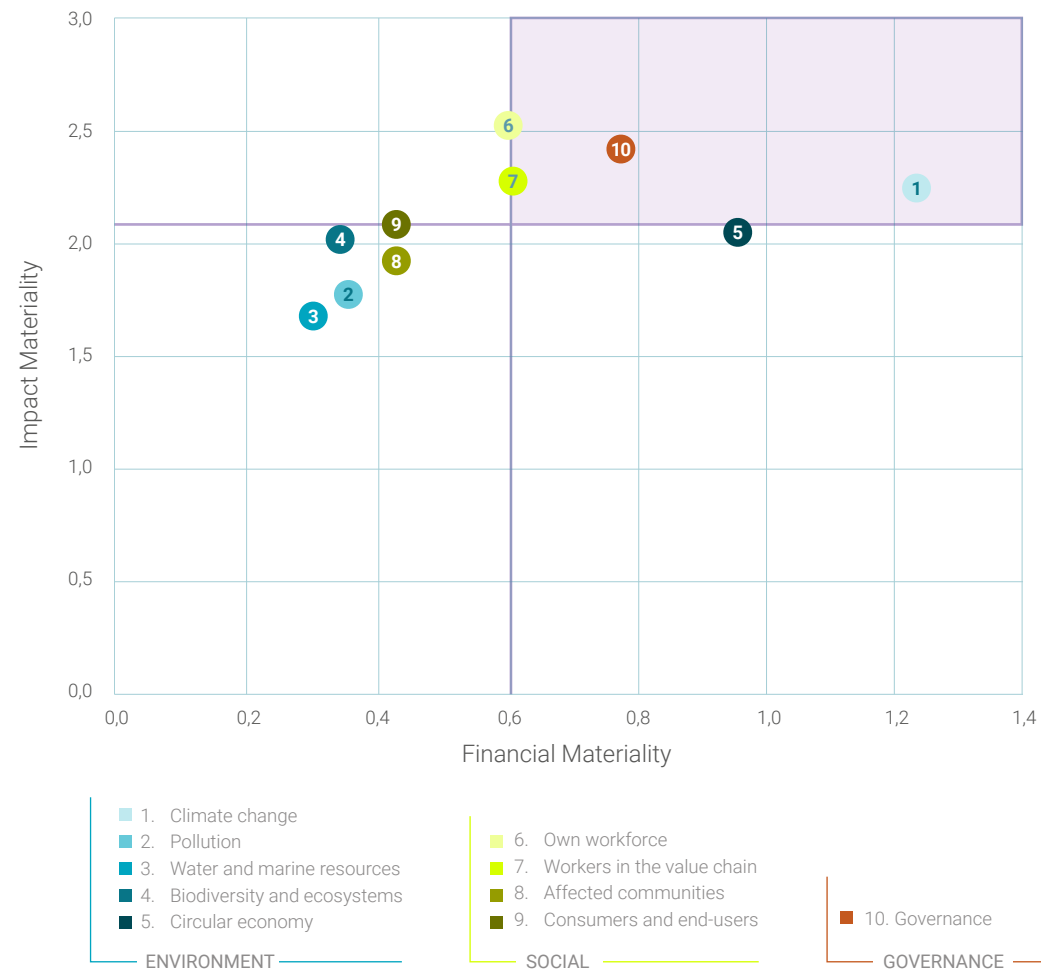
This state-of-the-art platform has enabled us to streamline the collection and analysis of key sustainability metrics across all our operations. By centralizing data from multiple locations, we are now able to track our environmental impact more accurately, monitor progress toward our sustainability goals, and ensure greater transparency in our reporting processes.



Casings used in  
the baking process of GE

# DOUBLE MATERIALITY MATRIX

BY ESRS

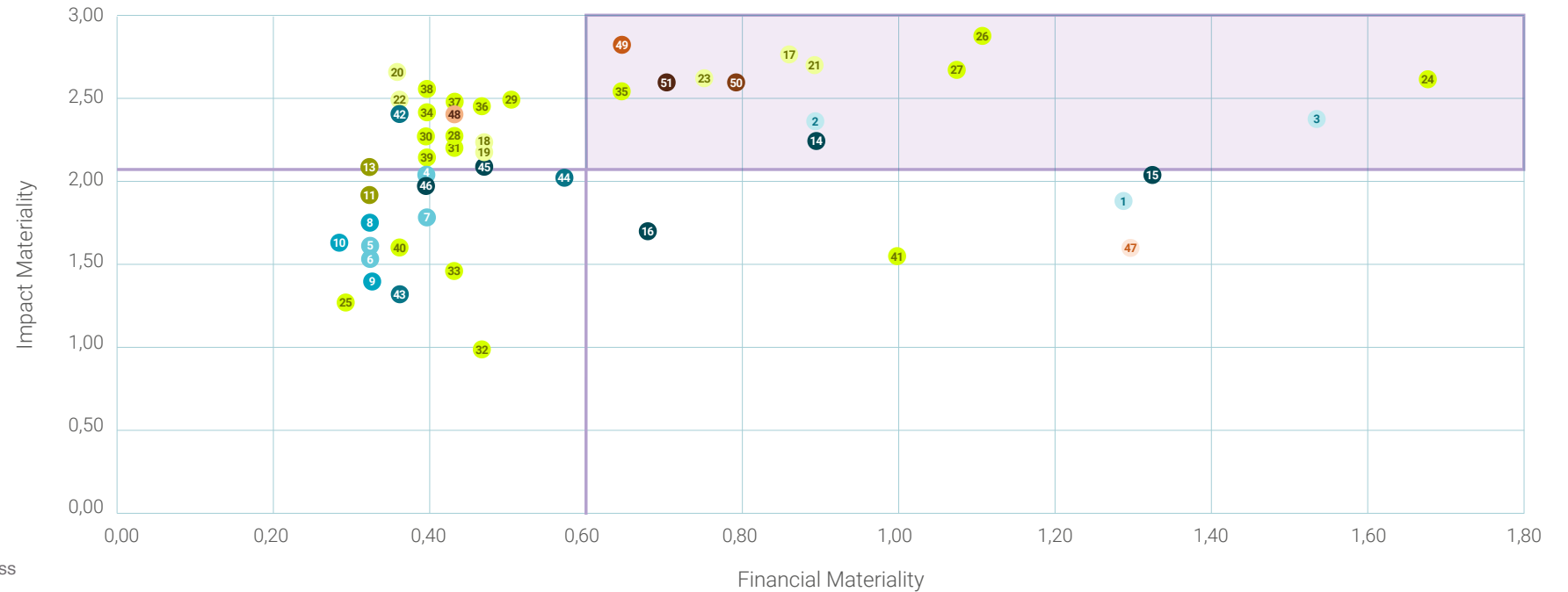




# DOUBLE MATERIALITY MATRIX

BY SUB-SUB-TOPIC

- 1. Climate change adaptation
- 2. Climate change mitigation
- 3. Energy
- 4. Pollution of air
- 5. Pollution of water
- 6. Pollution of soil
- 7. Substances of very high concern
- 8. Water consumption
- 9. Water withdrawals
- 10. Water discharges
- 11. Direct impact drivers of biodiversity loss
- 12. Impacts on the state of species
- 13. Impacts on the extent and condition of ecosystems
- 14. Resources inflows, including resource use
- 15. Resource outflows related to products and services
- 16. Waste
- 17. Secure employment
- 18. Working time
- 19. Work-life balance
- 20. Health and safety
- 21. Training and skills development
- 22. Employment and inclusion of persons with disabilities
- 23. Diversity
- 24. Secure employment - Suppliers



- 25. Working time - Suppliers
- 26. Adequate wages - Suppliers
- 27. Social dialogue - Suppliers
- 28. Freedom of association - Suppliers
- 29. Collective bargaining - Suppliers
- 30. Work-life balance - Suppliers
- 31. Health and safety - Suppliers
- 32. Gender equality - Suppliers
- 33. Training and skills development - Suppliers
- 34. Employment and inclusion of persons with disabilities - Suppliers

- 35. Measures against violence and harassment in the workplace - Suppliers
- 36. Diversity - Suppliers
- 37. Child labour - Suppliers
- 38. Forced labour - Suppliers
- 39. Adequate housing - Suppliers
- 40. Water and sanitation - Suppliers
- 41. Privacy - Suppliers
- 42. Adequate housing - Communities
- 43. Land-related impacts - Communities
- 44. Security-related impacts - Communities

- 45. Access to (quality) information - Consumers
- 46. Health and safety - Consumers
- 47. Access to products and services - Corporate culture
- 48. Responsible marketing practices - Protection of whistle-blowers-
- 49. Management of relationships with suppliers including payment practices
- 50. Prevention and detection including training - Corruption and bribery
- 51. Incidents - Corruption and bribery

## 4.2

# TOGETHER TOWARDS TOMORROW

For Resonac, **sustainability forms the basis of its management strategy.** We are proceeding with our business strategies by conducting sustainable business activities. To contribute to sustainable society by solving technical issues as a chemical manufacturer, in addition to our own efforts, we need collaboration and partnership with various stakeholders beyond the boundary of business types and industry segments. The Resonac Group aims at becoming a “Co-Creative Chemical Company,” striving to create new synergy through co-creative efforts inside and outside the company.

President and CEO, Resonac Corporation

**Hidehito Takahashi**



# RGBU'S SUSTAINABILITY STRATEGY

At RGBU, we firmly believe that sustainability is the driving force behind a better and fairer future for all. Our Sustainability Strategy, developed from the material topics identified in our Materiality Analysis, is a testament to our commitment to meaningful change. This strategy is framed within our new brand "Sparking Truth," which symbolizes our dedication to truth and transparency in every aspect of our operations. Below, we present the fundamental pillars of our strategy:

With "Sparking Truth," we aim not only to meet the highest sustainability standards but also to inspire others to follow our lead. We invite all our stakeholders to join us on this journey toward a more sustainable and responsible future. Together, we can ignite a spark of real and meaningful change in the world.

## Decarbonization

- **Renewable Energy Transition:** We are committed to investing in renewable energy sources such as green hydrogen, solar, wind, and hydroelectric power, recognizing that these are essential for reducing our carbon footprint and mitigating climate change.
- **Energy Efficiency:** Implementing energy-efficient practices and technologies in our operations and facilities is crucial to reducing energy consumption and associated costs.
- **Carbon Offsetting:** We support carbon offset projects, including reforestation and carbon capture and storage, to neutralize unavoidable emissions and contribute positively to the environment.
- **Sustainable Transportation:** We promote the use of electric vehicles and other forms of low-carbon transport, encouraging cleaner and more efficient mobility.

## People

- **Employee Engagement:** We foster a culture of sustainability within our organization through transparent communication, a stable feedback culture, continuous improvement and development opportunities, training and incentives, ensuring that every employee feels part of this collective effort.
- **Diversity and Inclusion:** We implement policies that promote diversity, equity, and inclusion, creating a workplace where everyone feels valued and respected.
- **Community Investment:** We support local communities through educational, health, and economic development initiatives, contributing to the overall well-being and sustainable growth of our areas of influence.
- **Health and Safety:** The health and safety of our employees are a priority, and we implement robust programs focusing on colleague safety and occupational health programs to ensure a safe and healthy work environment.

## Circular Economy

- **Product Design:** We strive to design products with the lowest possible electricity consumption, reducing environmental impact from the product's conception.
- **Waste Management:** We implement comprehensive recycling programs to minimize waste and maximize the reuse of materials.
- **Resource Recovery:** We develop systems to recover, reuse and recycle raw materials, water, and other production resources, promoting a circular and sustainable economy.
- **Sustainable Packaging:** We are actively exploring eco-friendly packaging materials and are committed to finding effective ways to reduce packaging waste.

## Supply Chain

- **Supplier Standards:** We set and enforce sustainability standards for our suppliers, ensuring they share our environmental and social values and commitments.
- **Ethical Sourcing:** We source materials from sustainable and ethical sources, ensuring our products are responsible from their origin.
- **Supply Chain Transparency:** We map our supply chain to ensure material traceability and foster sustainable practices at all levels.
- **Collaboration:** We work closely with our suppliers to continually improve their sustainability practices, promoting a more responsible and efficient supply chain.

## Transparency

- **Reporting:** We will regularly publish sustainability reports following international standards (e.g., GRI, CSRD), ensuring open and honest communication about our performance.
- **Stakeholder Engagement:** We engage our stakeholders, including investors, customers, and NGOs (Non Governmental Organization), to share our progress and receive feedback, building trust and collaboration.
- **Certifications:** We strive to obtain and maintain recognized sustainability certifications (e.g., ISO 9001, ISO 14001, ISO 45001, ISO 50001, ECOVADIS), demonstrating our commitment and sustainable practices.
- **Data Disclosure:** We provide transparent and updated information on our environmental and social performance, allowing our stakeholders to evaluate and understand our impacts and achievements.



# RGBU'S CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS



# 05

## Governance



RGBU's Graphite Management Committee (GMC) from April 2024



- 5.1. Governance System.
- 5.2. Ethics and integrity.
- 5.3. Transparency.

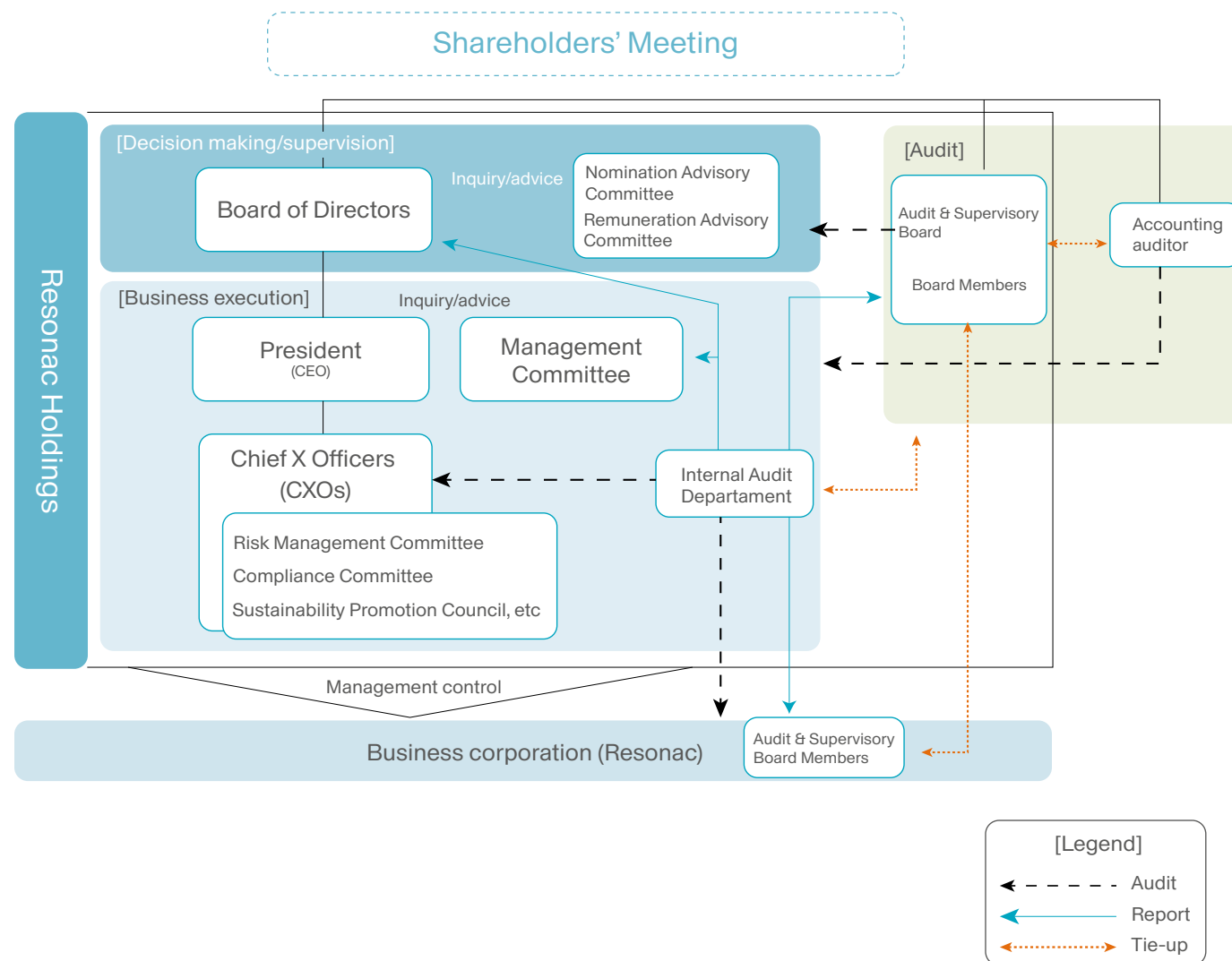




5.1

## GOVERNANCE SYSTEM

We embody governance as a pillar of sustainability. Transparency is at the core of our operations, and we actively engage in third-party assessments and audits to ensure accountability. With a strong focus on ethics and integrity, we have developed a comprehensive compliance program that guides our actions and decision-making processes.





# CORPORATE GOVERNANCE SYSTEM OF RESONAC CORPORATION

RESONAC Corporation specializes in Group strategy and listed company functions. While flexibly responding to business challenges, the Company appropriately allocates its management resources in consideration of the entire Group, for business tie-up, M&A, etc.

Resonac Corporation introduced a Corporate Officer System to explicitly divide management oversight and business execution functions, giving authority to Chief X Officers (CXOs) and chiefs of Business Units to execute business. In order to strengthen functional independence, objectivity, and accountability of the Board of Directors, the Company has organized the “Nomination Advisory Committee” and the “Remuneration Advisory Committee” as advisory bodies for the Board of Directors. Independent Outside Directors represent the majority of both committees. The Nomination and Remuneration Committees play a fundamental role in the success of RGBU. The Nomination Advisory Committee is responsible for nominating members of the Board of Directors. They ensure that the Board is composed of individuals with the skills, experience, and diversity necessary to lead our company. The process of selection is based on the criteria for knowledge, insight, fair judgment, ability to take actions, practical experience, and others. During the process, Nomination Advisory Committee deliberates on the nomination of candidates for the aforementioned positions and submits recommendations to the Board of Directors.

That committee is an essential component of our corporate governance. The Committee helps to ensure that our company is well-managed and that our interests are aligned with those of our shareholders.

## Audit & Supervisory Board Members 2024



Toshiharu Kato

Full-time Audit & Supervisory Board member

Term of office: 5 years

Attendance at BoD meetings in 2023:	Attendance at A&S Board meetings:
15/15	13/13



Yasuyuki Miyasaka

Outside Member of Audit & Supervisory Board President, Yasuyuki Miyasaka CPA Office

Term of office: 2 years

Attendance at BoD meetings in 2023:	Attendance at A&S Board meetings:
14/15	13/13



Mitsuo Katayose

Full-time Audit & Supervisory Board member

Term of office: —

Newly appointed



Kiyoko Toda

Outside Member of Audit & Supervisory Board

Term of office: —

Newly appointed



Masako Yajima

Outside Member of Audit & Supervisory Board Foreign Law Joint Enterprise Partner, Nishimura & Asahi

Term of office: 4 years

Attendance at BoD meetings in 2023:	Attendance at A&S Board meetings:
15/15	13/13

# BOARD OF DIRECTORS OF RESONAC CORPORATION 2024



## Kohei Morikawa

Board Director, Chairman of the Board President, The Society of Chemical Engineers, Japan

Term of office: 8 years

Attendance at BoD meetings in 2023: 15/15

[See our website for career summary](#)



## Tomomitsu Maoka

Board Director, Chief Strategy Officer (CSO)  
Chief Risk Management Officer (CRO)

Term of office: 2 years

Attendance at BoD meetings in 2023: 15/15

[See our website for career summary](#)



## Noriko Morikawa

Outside Board Director

Term of office: 4 years

Attendance at BoD meetings in 2023: 15/15

[See our website for career summary](#)



## Hidehito Takahashi

Representative Director;  
President and Chief Executive Officer (CEO)

Term of office: 7 years

Attendance at BoD meetings in 2023: 15/15

[See our website for career summary](#)



## Nori Imai

Board Director,  
Chief Human Resource Officer (CHRO)

Term of office: —

Newly appointed

[See our website for career summary](#)



## Tetsuo Tsuneishi

Outside Board Director,  
Corporate Director,  
Tokyo Electron Device Ltd.

Term of office: 1 year

Attendance at BoD meetings in 2023: 12/12

[See our website for career summary](#)



## Hideki Somemiya

Board Director,  
Chief Financial Officer (CFO)

Term of office: 2 years

Attendance at BoD meetings in 2023: 15/15

[See our website for career summary](#)



## Kozo Isshiki

Outside Board Director

Term of office: 5 years

Attendance at BoD meetings in 2023: 15/15

[See our website for career summary](#)



## Kenji Yasukawa

Outside Board Director,  
Representative Director, Chairman of the Board, Astellas Pharma Inc.

Term of office: —

Newly appointed

[See our website for career summary](#)

# COMPOSITION OF THE MANAGEMENT TEAM OF RESONAC CORPORATION 2024

9 **Nori Imai**  
Chief Human Resource  
Officer (CHRO).

10 **Hiroshi Adachi**  
General Manager, Basic  
Chemicals Business Unit.

1 **Hidehito Takahashi**  
Chief Executive Officer (CEO).

5 **Tomomitsu Maoka**  
Chief Strategy Officer (CSO).  
Chief Risk Management Officer  
(CRO).

11 **Takafumi Sakurada**  
General Manager, Advanced  
Functional Materials Business  
Headquarters.

2 **Naobumi Shimpo**  
Chief Operations, Manufacturing  
and Engineering Officer (CMEO)  
Chief Quality Officer (CQO).

6 **Makoto Takeda**  
General Manager, Device solutions  
Business Unit.

12 **Masato Fukushima**  
Chief Technology Officer (CTO).

3 **Hiroyuki Yamashita**  
General Manager, Electronics  
Business Headquarters.

7 **Shigeru Fujita**  
Chief Marketing Officer (CMO).

13 **César Castiñeira**  
General Manager,  
Graphite Business Unit.

4 **Hideki Somemiya**  
Chief Financial Officer (CFO).

8 **Satoshi Hara**  
General Manager, Mobility Business  
Headquarters.

14 **Yasushi Makabe**  
General Manager,  
Hard Disk Business Unit.

15 **Nami Matsuko**  
Chief Sustainability Officer  
(CSuO).

16 **Hirotsugu Fukuda**  
General Manager,  
Olefins & Derivatives  
Business Unit.





# CORPORATE GOVERNANCE SYSTEM OF RESONAC GRAPHITE BUSINESS UNIT

Resonac Corporation has different business units, among which is the [Graphite Business Unit](#).

Our [Graphite Management Committee \(GMC\)](#) is the main decision-making body of the business Unit. It consists of 9 members with diverse knowledge, skills, backgrounds, and experiences, which continuously drives us toward sustainable resilience by leveraging global synergies and functional standards while implementing strategies that consider regional particularities. Generational diversity is represented by 44% of the GMC members being between the ages of 30 and 50, while the other 56% are over 50 years old.

## Graphite Management Committee (GMC) 2024



César Castiñeira  
President (CEO)  
& Chief Operations Officer (COO)

David Germade  
President and CEO EMEA.

Daniel Dueñas  
Global Head of Production, Engineering and Maintenance (CMEO) & President and CEO Americas.

Tomoki Katayama  
President and CEO Asia.



Giwon Park  
Chief Human Resources  
Officer (CHRO).

Tim Saxon  
Chief Marketing Officer (CMO).

Michael Kuschnick  
General Counsel & Chief  
Compliance Officer (CCO)

Taku Tanaka  
Chief Financial Officer (CFO).

Carl Kolts  
Chief Strategy Officer (CSO).

## 5.2

# ETHICS AND INTEGRITY

### Compliance approach

Every country and region in which Resonac Corporation operates has its own customs, and laws and regulations differ from country to country.

To ensure our business Unit is one that can compete globally, each employee must act with high ethical standards that go beyond compliance with laws and regulations no matter when or where, even if rules do not clearly stipulate a course of action. Our aim is to become a business Unit that helps bring about a sustainable society by implementing a culture of ethics and compliance.

### No compliance violation

With lofty ethical view, discuss and point out compliance violation each other, thereby making your workplace prevent compliance violation.

To realize our purpose *Changing society through the power of chemistry* we must fulfill our responsibilities to all stakeholders and continue to always provide value. One of the key elements forming the foundation of our efforts is thorough compliance.

# CODE OF CONDUCT

At RGBU, we believe that ethical and integrity behavior are essential to the long-term success of our business. Our commitment to these values is reflected in our Code of Conduct, which emphasizes honesty, fairness, respect, and sustainability.

Resonac Corporation published the latest version of their Code of Conduct in November 2022. This document serves as a guide for all officers and employees within the Resonac (including RGBU), outlining specific behaviors that align with the company's values and sustainability goals, as well as considering stakeholders' perspectives. [The Code of Conduct provides detailed instructions on daily conduct and decision-making processes to ensure consistency and integrity across the organization.](#) It is accessible through the Resonac website for all employees and interested parties.

The Code of Conduct reflect the principles which are essential to building a strong and sustainable business:





We take a number of steps to ensure that our employees are aware of and uphold our Code of Conduct. These steps include:

1

**Providing training on the Code of Conduct:**

All employees are required to complete training on the Code of Conduct.

2

**Establishing a whistleblowing hotline:**

Employees are encouraged to report any suspected violations of the Code of Conduct to the company's whistleblowing hotline.

3

**Investigating allegations of misconduct:**

All allegations of misconduct are investigated thoroughly.

4

**Taking disciplinary action:**

Disciplinary action, up to and including termination of employment, may be taken against employees who violate the Code of Conduct.

We believe that our commitment to ethics and integrity is a key factor in our long-term success. We are committed to continuing to uphold these values in everything we do.

Our commitment to ethics and integrity has helped us to build a strong reputation with our customers, suppliers, employees, and other stakeholders. We are proud of our reputation as a company that is ethical and trustworthy.



Tokyo Headquarters Office (Japan)



Town Hall Meeting, A Coruña (Spain)

## SUPPLIER CODE OF CONDUCT

RGBU expects all its suppliers and subcontractors to comply with all relevant domestic and international laws and regulations, as well as this RGBU Supplier Code of Conduct. This code is based on principles from the United Nations Global Compact, the United Nations Universal Declaration of Human Rights, and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

To ensure compliance, Suppliers and Subcontractors should implement an appropriate compliance management system and take necessary steps to ensure their own suppliers and subcontractors adhere to these standards. This includes informing and training their employees about this Code of Conduct.

### Summary of the RGBU Supplier Code of Conduct

This document outlines the expectations RGBU has for its suppliers regarding ethics, sustainability, and social responsibility. The goal is to ensure a responsible and legal supply chain that meets the highest standards.

### Key principles

Compliance with laws and regulations.

Business integrity.

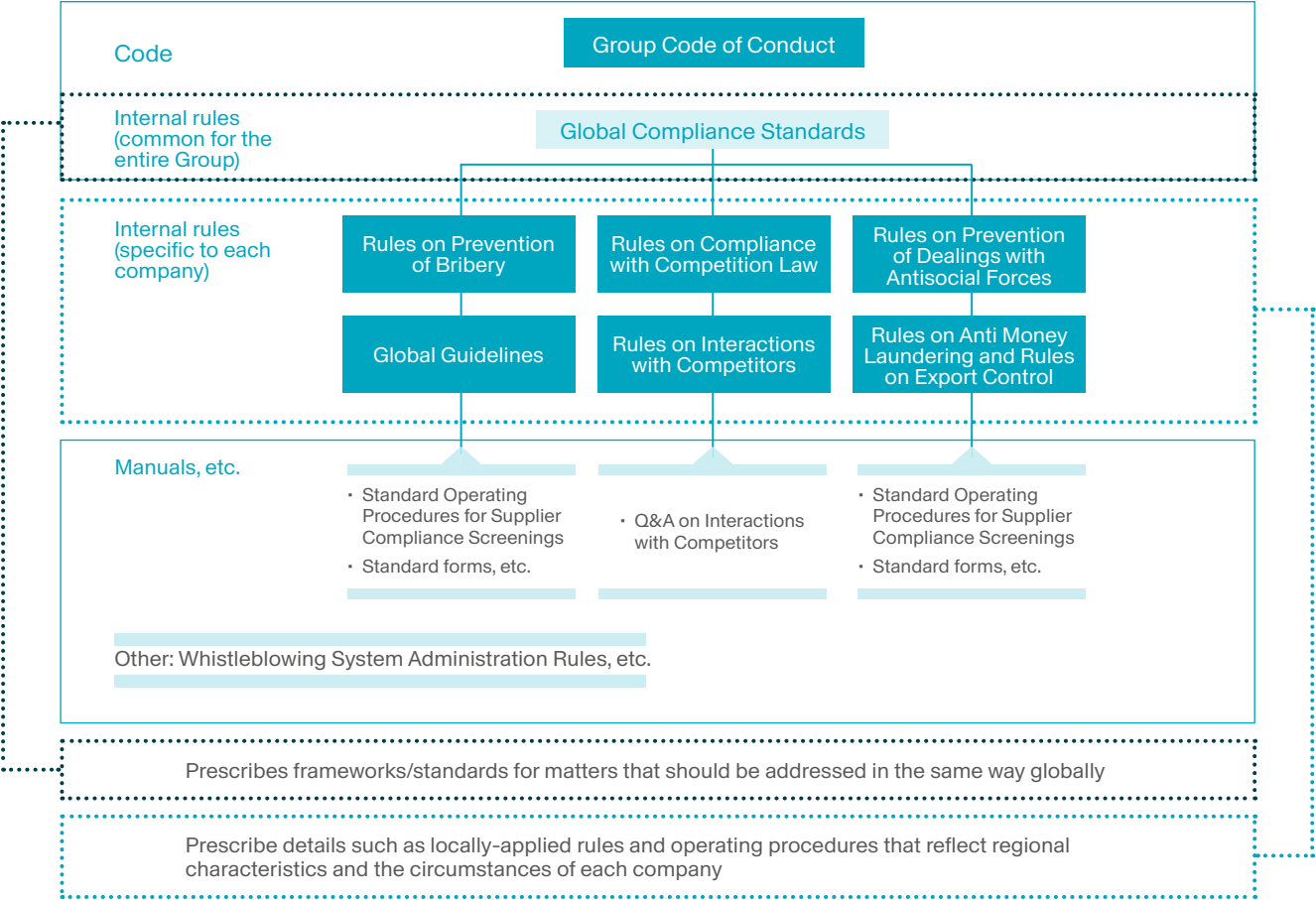
Respect for human rights and labor rights.

Environmental protection.

Suppliers agree to follow the provisions of this Code and require their subcontractors to do the same. Any violation of this Code by a Supplier allows RGBU to terminate all existing supply agreements with that Supplier.

# ESTABLISHMENT OF GLOBAL COMPLIANCE STANDARDS

To ensure compliance across the entire Group, Resonac Corporation has established the [Global Compliance Standards \(GCS\)](#). The GCS prescribe structures and frameworks that Resonac Graphite Business Unit deploy to ensure not only legal and regulatory compliance, but also conformance with the standards of compliance demanded by the international community. We believe that the proper design and effective implementation of the GCS will allow misconduct to be prevented or spotted at an early stage, and also facilitate swift action in response should misconduct be uncovered.



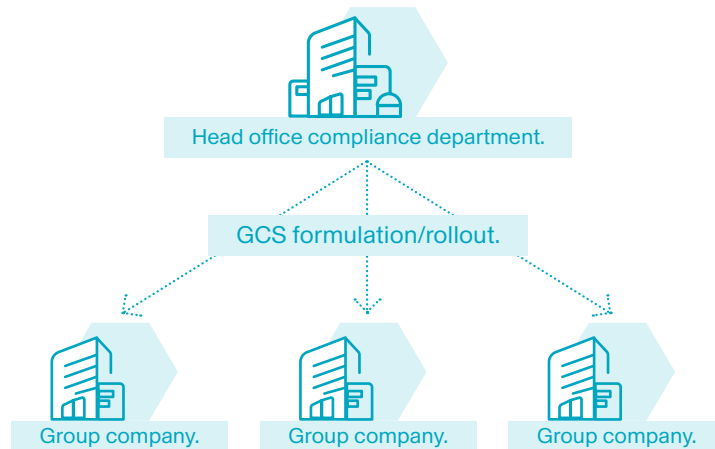


## APPLICATION OF THE GCS TO THE DIFFERENT BUSINESS UNITS

Based on the GCS, Group companies (including RGBU) develop rules and manuals, put structures in place to prevent, monitor, and address legal and regulatory violations, and drive action.

**Oversight division (head office compliance department):** identifies changes in local regulations in the social environment, and formulates a policy to cope with each compliance risk phenomenon and event.

**Group companies (business execution department):** Implement rules based on the policy, autonomously and independently endeavor to design mechanisms for ensuring legal compliance.



^ The head of compliance of RGBU is Michael Kuschnick.

## WHISTLEBLOWING CHANNEL – HOTLINE

Resonac Corporation operates a whistleblowing channel for internal and external stakeholders to raise concerns about any violations or suspected violations of laws, regulations, or the Resonac Group's Code of Conduct. This whistleblowing channel is available on the corporate website, ensuring complete confidentiality for complainants, even when reports are made anonymously.

The Japanese Whistleblower System (TSUHO Hotline) is available for all RESONAC employees worldwide, including the graphite business unit, and is promoted on the Japanese Resonac website, where the Code of Conduct is also found. However, it is being adapted to European regulations, so we also have a whistleblowing hotline accessible to all employees in Spain, Austria, and Italy, as well as to all REU (Resonac Europe) and RGG (Resonac Graphite Germany) employees in Germany.

The whistleblowing system is a crucial tool for the early detection of misconduct. To enhance its value and support sustainable development, Resonac Corporation appropriately manages the system to strengthen the self-regulation capabilities of each organization within the group (including RGBU). This approach helps maintain stakeholder trust and ensures legal and regulatory compliance.

When a complaint is received through the channel, the head office compliance department, led by Michael Kuschnick (Head of Compliance for RGBU), transmits the report details to the Audit & Supervisory Board Members. These members review the progress and management of the reports, as well as the corrective actions taken.

In 2023, RGBU did not receive any reports through the whistleblowing channel.

In addition to the whistleblowing channel on the corporate website, reports can also be submitted through the following web link:

[https://www.speakupfeedback.eu/web/resonac/es/enter\\_access\\_code/766](https://www.speakupfeedback.eu/web/resonac/es/enter_access_code/766).

## CORPORATE POLICIES

In addition to the Code of Conduct of Resonac Corporation, there are multiple corporate policies that address different issues related to business conduct:



### Supplier Code of Conduct

Describing rules of behavior and applicable standards for suppliers all along the supply chain.



### Anti-Money Laundering Policy

Describing measures for the prevention of money laundering and terror financing.



### Anti-Trust Policy

Describing rules of behavior when dealing with competitors.



### Conflict of Interest Policy

Describing measures to be taken to avoid potential conflicts of interest between employees and RGBU.



### Whistleblower Policy

Describing the possibilities to use the whistleblower hotline established for use in all Resonac Graphite Business Unit entities in Europe.



### Gift and Hospitality Policy

Describing rules regarding the acceptance of gifts by employees.



### Anti Bribery Policy

Describing measures to avoid bribery.



### Export Control Policy

Describing measures to avoid violations of applicable export restrictions as well as of sanctions.



### Code of Conduct

Outlines ethical standards and principles for employee behavior.



### Human Rights Policy

Ensures the protection and respect of human rights in all operations.



### Tax Code of Conduct

Commitment to compliance with local and international tax laws, emphasizing its responsibility to contribute to societal growth through appropriate tax payments.

The compliance department provides advice with regard to company policies and can be contacted if there are questions relating to policies and responsible business conduct.

# HUMAN RIGHTS PRINCIPLES

We are committed to respecting and upholding human rights in all our operations. Our corporate policies are in accordance with the UN Guiding Principles on Business and Human Rights as well as the Ten Principles of the UN Global Compact.

RGBU conducts regular human rights due diligence to identify and assess human rights risks in our operations. We take steps to mitigate these risks, such as developing and implementing human rights policies and procedures, providing training to employees on human rights, and engaging with stakeholders on human rights issues.

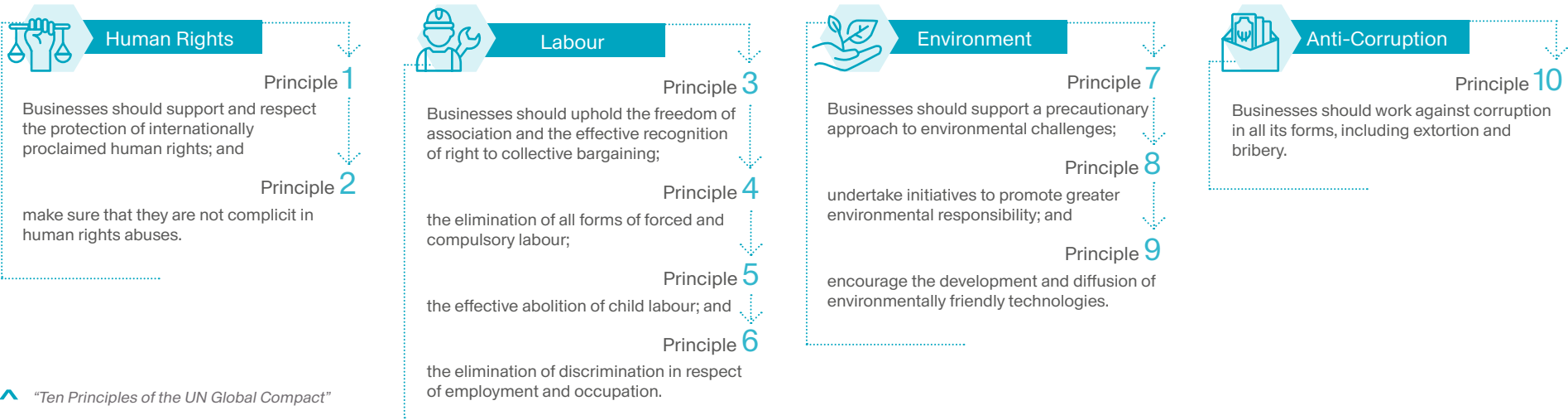
# DISCRIMINATION CASES

Discrimination can take many forms, including:

- Imposition of unequal burdens.
- Denial of benefits.

age, disability, or any other protected characteristic.

In 2023, RGBU did not receive any reports of discrimination. We are proud of our inclusive workplace and our commitment to diversity and equity. However, we know that there is always more work to be done. We will continue to strive to create a workplace where everyone feels safe, respected, and valued.





# ANTICORRUPTION APPROACH

The Compliance Department is responsible for ensuring that the company complies with all applicable laws, regulations, and internal policies. This includes conducting risk assessments of corruption in all departments.

No cases of corruption were detected in 2023 within RGBU. The strategy to continue improving in this area include the following actions:

- Implementing a more robust system for screening employees and third parties for corruption risks.
- Conducting more frequent audits of anti-corruption controls.
- Providing more training to employees on anti-corruption laws and policies.

## Training in relation to anti-corruption regulations 2023

Management employees trained	36
Non-management employees trained	382



Wiesbaden Office (Germany)

## Compliance with laws and regulations

The Company is committed to complying with all applicable laws and regulations. During 2023, the Company did not receive any significant non-monetary fines or sanctions for non-compliance with laws or regulations.

The Company has a comprehensive compliance program in place to ensure that it complies with all applicable laws and regulations. The program includes the following elements:

- A code of conduct of RGBU and a code of conduct for suppliers and subcontractors that sets forth the Company's ethical standards.
- A compliance training for employees.
- A system for reporting compliance concerns.
- A process for investigating compliance concerns and taking corrective action (Whistleblowing channel).

	2023
Significant incidents resulting in non-monetary sanctions (n°)	0
Significant incidents resulting in fines (n°)	0

There have been no incidents during 2023 related to the information or labeling of products and services, nor related to marketing communications or loss of customer data or violation of their privacy, nor with respect to the safety and health of the products. Nor have any legal actions been initiated for anti-competitive behaviour, anti-trust or monopolistic practices.

## Operations and suppliers at significant risk for incidents related to “forced or compulsory labor”, “freedom of association and collective bargaining”, and “child labor” 2023

Operations and suppliers at significant risk for incidents related to forced or compulsory labor	0
Operations and suppliers at significant risk for incidents related to the freedom of association and collective bargaining	0
Operations and suppliers at significant risk for incidents of child labor	0



Omachi Plant (Japan)

## 5.3 TRANSPARENCY

At Resonac Graphite Business Unit, we take pride in fostering transparent communication and strong relationships with our customers, stakeholders, and employees.

Our commitment to openness is further reinforced by our third-party certifications, including ISO and ECOVADIS, which attest to the rigorous standards we uphold across all our processes.

This dedication to transparency and adherence to recognized standards not only strengthens our relationships but also builds trust in our company every day.

### ECOVADIS

We are proud to announce that our company has been awarded the EcoVadis Silver Medal for our sustainability performance in both A Coruña and Steeg plants, reflecting our commitment to operating sustainably and responsibly.

Benefits of using EcoVadis include:

- Assess our performance in Environment, Labor & Human Rights, Ethics and Sustainable Procurement.
- Identifying and prioritizing sustainability risks and opportunities.
- Benchmarking our performance against peers.
- Evaluate our performance throughout the value chain.

### ISO CERTIFICATIONS

ISO standards are internationally recognized benchmarks that define the best practices for quality, safety, efficiency, and consistency across various industries.



# 06

## Environment

Steeg Plant (Austria)



- 6.1 Decarbonization.
- 6.2 Circular economy.
- 6.3 Other environmental aspects.



## 6.1 DECARBONIZATION



Graphite  
Electrodes  
(GE)



Steeg Plant (Austria)

### Driving Decarbonization Efforts

Under the pillar of environmental sustainability, we are dedicated to driving decarbonization efforts within our operations. Our goal is to minimize our **carbon footprint** through the implementation of energy-efficient practices, investment in renewable energy sources, and continuous exploration of innovative solutions. By actively engaging with industry partners, stakeholders, and employees, we aim to lead the way in the transition to a low-carbon economy, creating a better world for our future generations.

# IMPACT OF THE STEEL INDUSTRY

The steel industry is a major source of greenhouse gas emissions, accounting for around 7-9% of global CO<sub>2</sub> emissions\*. The production of steel is a highly energy-intensive process, and most of these emissions come from the use of fossil fuels to power the blast furnaces and other equipment used in steelmaking. There are two main types of steelmaking processes:

- Blast Furnace-Basic Oxygen Furnace (BF-BOF) process.
- Electric Arc Furnace (EAF) process.

\* Source: International Energy Agency (IEA) and the American Chemical Society (ACS).

## BF-BOF process

Traditional method of steelmaking. It uses coke, a fossil fuel, to heat iron ore in a blast furnace. The iron ore is then converted into steel in a basic oxygen furnace. The BF-BOF process is a major source of CO<sub>2</sub> emissions, as it releases about 2 tons of CO<sub>2</sub> \* for every ton of steel produced.

## EAF process

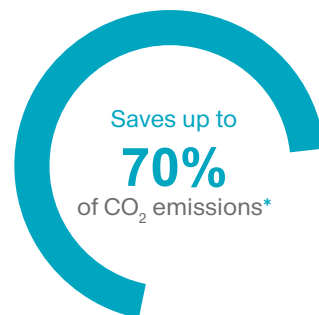
Uses electricity to melt scrap steel. The EAF process produces less CO<sub>2</sub> emissions than the BF-BOF process, as it does not use fossil fuels to generate heat. However, the EAF process still produces some CO<sub>2</sub> emissions, as it uses electricity that is often generated from fossil fuels.



Electric Arc Furnace (EAF) Process Using Graphite Electrodes

For further information on the environmental impact of the steel industry and the need for its decarbonization, you can refer to sources from the International Energy Agency (IEA) and the American Chemical Society (ACS), which provide detailed analyses of the sector's contributions to global CO<sub>2</sub> emissions and potential pathways to reduce these emissions in line with climate goals (IEA) (Chemical & Engineering News).

# ROLE OF GRAPHITE ELECTRODES IN THE DECARBONIZATION PROCESS OF THE STEEL SECTOR



We are proud to be a key part of the world's largest recycling process: the recycling of scrap steel to create new steel.

Our commitment to sustainability is more than a promise; it's an integral part of our electrode production. From sourcing raw materials like coke and pitch, byproducts of petroleum distillation, to playing a vital role in the global steel recycling process, we embrace sustainability at every step. The Graphite Electrodes not only contribute to the circular economy by repurposing waste materials but also

serve as key players in steel recycling. As leaders in this essential industry, we take pride in minimizing our environmental footprint. Moreover, our commitment extends to the end of life of our electrodes, ensuring a zero-waste cycle.

Our customers operate Electric Arc Furnaces, where Graphite Electrodes are the core element of the melting process. Compared to the still dominant method, the creation of steel from iron ore in a Blast Furnace, our products help to save 70% of CO<sub>2</sub> emissions\*.

\* Source: Worldsteel CO<sub>2</sub> emission global average intensity by production route (tonnes CO<sub>2</sub> per tonne of crude steel cast) (Sustainability Indicators 2023 report - worldsteel.org)



Graphite Electrodes Baking Preparation Process



## PERSPECTIVE FOR REDUCING EMISSIONS IN THE PRODUCTION PROCESS OF GRAPHITE ELECTRODES

The steel industry is facing increasing pressure to reduce its CO<sub>2</sub> emissions. Governments around the world are setting regulations to limit these emissions, and customers are demanding more sustainable steel products.

The steel industry is working to reduce its CO<sub>2</sub> emissions by developing new technologies and investing in low-carbon steelmaking processes. The EAF process is a key part of

the steel industry's strategy to reduce CO<sub>2</sub> emissions, and that means that Graphite Electrodes play an important role in the sustainability of the sector.

### Roadmap to carbon neutrality in 2050

Our objectives and time horizons are aligned with those defined by RESONAC Corporation:

- Reduction of Scope 1+2 GHG emissions by 30% by 2030 from fiscal year 2013.
- Achieve net-zero Scope 1+2 GHG emissions by 2050.

There are several potential ways to reduce emissions in the production process of Graphite Electrodes. These include:

- Using renewable energy sources.
- Improving energy efficiency.
- Developing new technologies.

The Graphite Electrode industry is facing several challenges in its efforts to reduce emissions. These challenges include the high cost of renewable energy, the lack of efficient recycling and reuse technologies, and the high cost of developing new technologies.

Despite these challenges, RGBU is making progress in its efforts to reduce emissions.



Preparation for Impregnation Phase

International Day  
of Clean Air for Blue Skies



## Decarbonization projects underway

### Long-term agreements (PPAs) with renewable energy suppliers

Location: A Coruña (Spain)

**Project description:** A long-term agreement (PPA) is a contract between a buyer and a seller of electricity. PPAs can be used to secure a supply of renewable electricity at a fixed price for a specified period. In 2023, we signed a long-term Power Purchase Agreement (PPA) to secure 40% of the electricity consumption for Resonac Graphite Spain (RGS). This PPA, which became operational in 2024, guarantees a supply of renewable electricity, reducing our carbon footprint and contributing to our sustainability goals.

### Heat recovery system

Location: A Coruña (Spain)

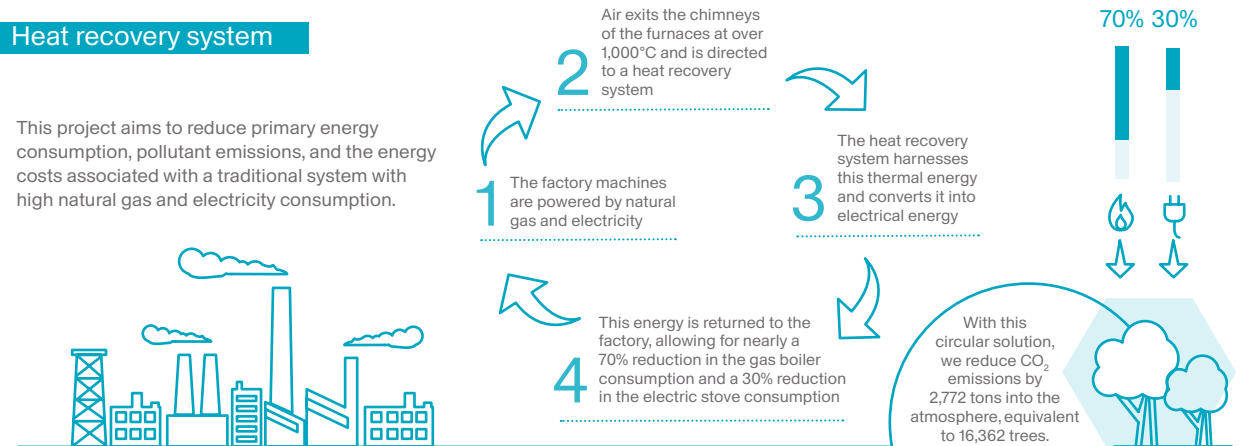
**Project description:** A heat recovery system has been installed at RGS in 2022. Thanks to this system, the production plant will take advantage of the thermal energy that is lost in the baking phase of Graphite Electrode, through the chimneys of its furnaces, which will allow it to save up to 70% in boiler gas consumption and 30% of the electric consumption of the stoves.

This heat is a valuable source of energy that is often wasted during production. To prevent this waste, the installed system can recover thermal energy and reintegrate it into the production process.



### Heat recovery system

This project aims to reduce primary energy consumption, pollutant emissions, and the energy costs associated with a traditional system with high natural gas and electricity consumption.



## 100% green electricity

**Location:** Steeg (Austria)

**Project description:** Resonac Graphite Austria is committed to sustainable energy practices. We have secured about 40% of our electricity consumption directly through power purchase agreements (PPAs) with green energy (solar) producers. To cover the remaining energy consumption, we purchase green electricity certificates. By buying these certificates, RGAT supports renewable energy projects that generate green power, thereby displacing the need for energy from conventional, carbon-intensive sources. This dual approach ensures that our plant's electricity needs are met with CO<sub>2</sub>-neutral energy, aligning with our commitment to reducing our carbon footprint and promoting sustainable development.



## Reducing the mobility CO<sub>2</sub> footprint of our staff

**Location:** Steeg (Austria)

**Project description:** To reduce CO<sub>2</sub> emissions and promote eco-friendly commuting, RGAT introduced a program in 2022 allowing employees to lease e-bikes or regular bikes for professional and private use, taking advantage of Austria's input tax deduction for company bicycles.

**Location:** A Coruña (Spain)

**Project description:** To reduce CO<sub>2</sub> emissions and support sustainable transportation, RGS has recently installed 6 electric vehicle (EV) chargers of 22 kWh. This initiative is part of our broader commitment to eco-friendly practices and aims to facilitate employees' commuting with electric vehicles.

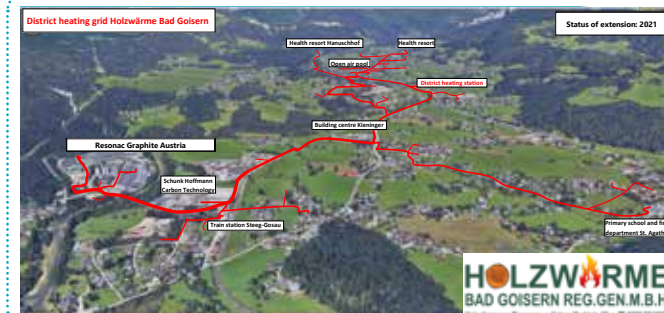


## Waste heat utilization in the local district heating system

**Location:** Steeg (Austria)

**Start date:** 2013

**Project description:** RGAT, in cooperation with Holzwärme Bad Goisern, utilizes waste heat from the Steeg plant to supply the local district heating system with thermal energy. This initiative, started over 10 years ago, aims to support the local community in Bad Goisern by providing thermal energy that would otherwise be wasted. The district heating network spans approximately 27 km and serves over 300 households, offices, hotels, and companies. During the summer months (mid-May to early October), the network operates solely on thermal energy from the Steeg plant. Until 2023, RGAT had provided over 100 GWh of thermal energy to the heating network.





Solar Panel project

Location: Banting (Malaysia)

**Project description:** Resonac Graphite Malaysia (RGM) has installed, in 2023, 1 MWp solar photovoltaic panels on the roof of its existing building. This system generates 1,250,000 kWh annually, reducing CO<sub>2</sub> emissions by 975 tons. RGM plans to expand this installation to up to 3 MWp, fully utilizing the available roof area for additional solar PV panels.



Green Energy Initiative

Location: Banting (Malaysia)

**Project description:** RGM has subscribed to the Green Electricity Tariff (GET) program by Tenaga Nasional Berhad (TNB) in 2023. RGM has successfully subscribed to 2 blocks (2,000 kWh) of electricity sourced from renewable energy.



Tree data collection - Carbon Sequestration

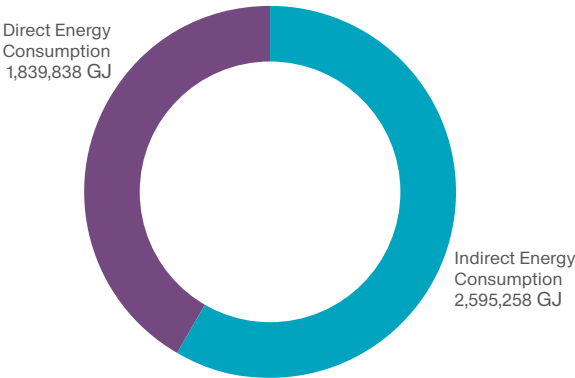
Location: Banting (Malaysia)

**Project description:** This project aims to determine the carbon offset potential of trees within our plant. The objective is to calculate the annual carbon absorption by these trees. Given the scope, data collection might take some time. Once calculations are complete, the next step will be to identify tree species with the highest carbon absorption capacity, allowing us to enhance our carbon offset efforts within the plant.

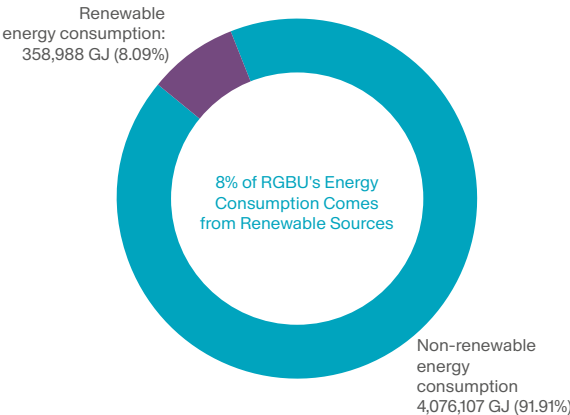


# ENERGY 2023

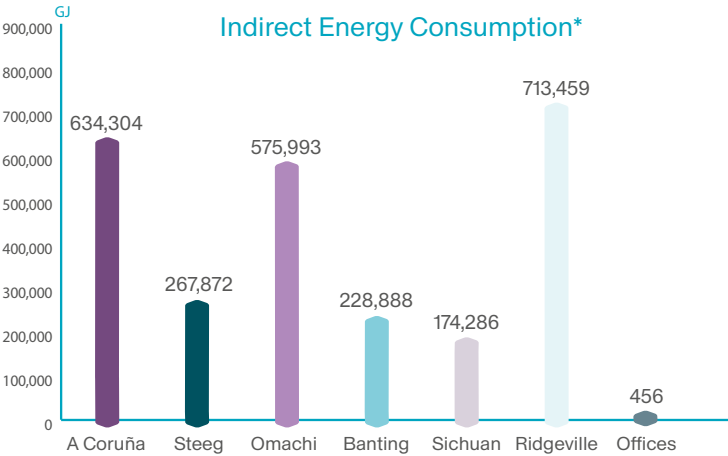
RGBU Energy Consumption



RGBU Energy Consumption Breakdown:  
Non-Renewable vs. Renewable

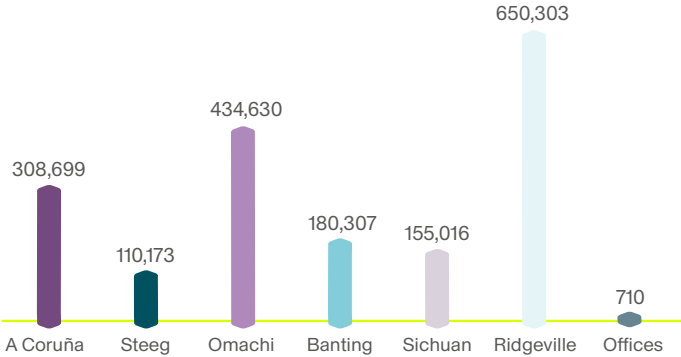


Indirect Energy Consumption\*



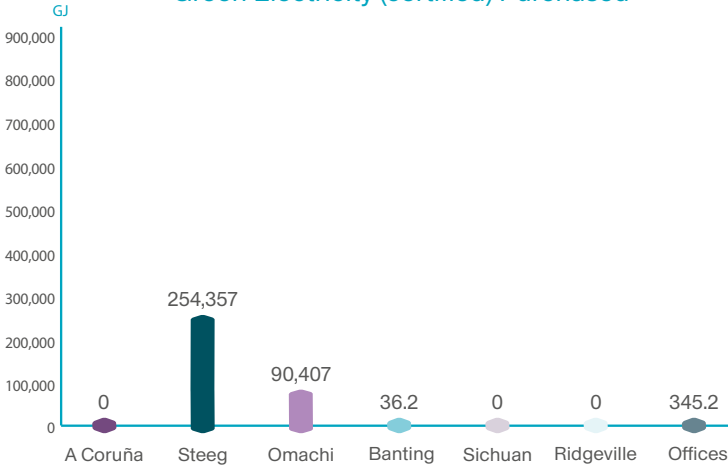
\*Indirect Energy Consumption: Energy used by the company but generated off-site by third parties.

Direct Energy Consumption\*



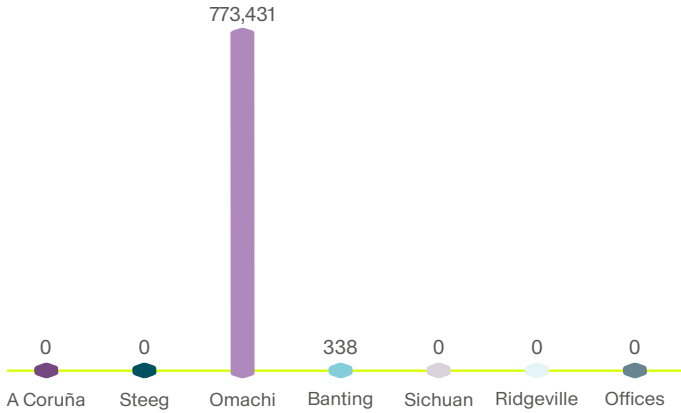
\*Direct Energy Consumption: Energy consumed directly by the company through the use of fossil fuels or renewable resources at its facilities.

Green Electricity (certified) Purchased



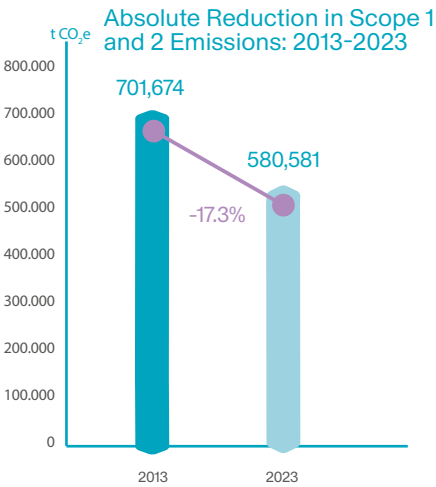
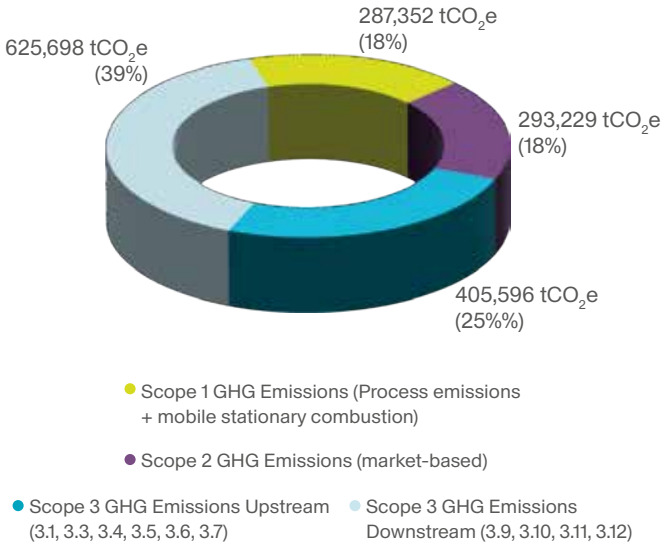
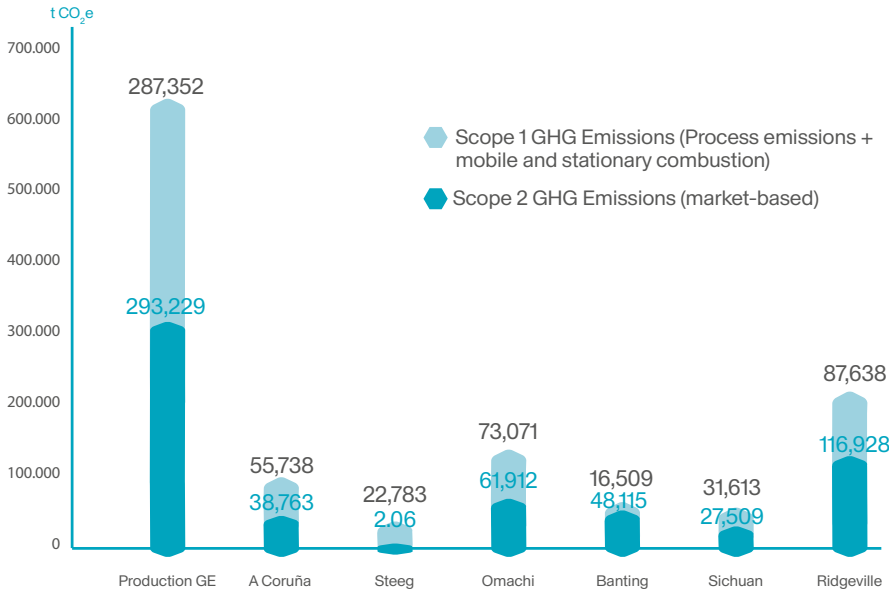
Exchange rate: 1 MWh = 3.6 GJ

Self-generated Green Electricity\*



\*Self-generated green electricity: At Omachi, it is contributed to the national grid, supporting the broader community, while at Banting, the electricity generated is used directly on-site for our operations.

# EMISSIONS OF OUR PRODUCTION 2023



A Coruña Plant (Spain)



## 6.2

# CIRCULAR ECONOMY

## OUR COMMITMENT TO THE CIRCULAR ECONOMY

We are committed to the circular economy. We believe that the circular economy is essential for the long-term sustainability of our business and the planet.

Graphite Electrodes are a critical component in the production of steel and other metals. They are used in Electric Arc Furnaces (EAF) to melt scrap metal and other raw materials. One of the key challenges of a circular economy is the management of end-of-life products. One of the key sustainability benefits of Graphite Electrodes is that they are consumed in the steelmaking process. This means that they do not generate any waste at the end of their life. In contrast, other materials used in steelmaking, such as refractories, can generate significant amounts of waste. We are committed to the circular economy through the following principles:

### Reduce

We are committed to reducing the amount of material we use in the production of our Graphite Electrodes. We are constantly working to improve our manufacturing processes to make them more efficient.

### Reuse & Recycle

We reuse and recycle materials whenever possible. We also use recycled materials in the production of our new Graphite Electrodes.

### Recover

We recover energy from our manufacturing process. We have a system in place to capture and reuse the waste heat from our furnaces.

### Together Towards Sustainability: Recycling Textiles into Bags

This initiative highlights our commitment to the circular economy by exploring the potential of graphite in enhancing textile recycling processes. By integrating advanced technologies and sustainable practices, we aim to reduce waste and contribute to a more sustainable future. Our dedication to innovation and environmental responsibility is driving us to find new ways to recycle and repurpose materials, showcasing the power of graphite in transforming industries and protecting our planet.



## GLOBAL WASTE MANAGEMENT SYSTEM

This project consists of implementing a KPI Harmonized and Global Waste Management System based on GRI Standards with the intention of creating a global harmonized waste categorization system and improve waste generation and enhance the recycling and reuse strategies.

In 2023, 279 kg of waste per ton of produced product was generated during our production, including both hazardous and non-hazardous waste.

Graphite Samples for Testing

To achieve the overall objective, it is essential to achieve the following objectives:

- Develop common waste categorization and harmonized glossary for all waste streams.
- Document the processes and map the processes by including the output of waste from each process through end-to-end.
- Ensure transparency and reliability about the data collected.
- Define a set of global KPIs to compare situations at the sites.
- Foster a culture of general awareness regarding waste management to gain commitment from both management and employees.

RGBU is constantly working to improve our waste management performance. In recent years, we have made significant progress in reducing our waste generation and increasing our recycling rates.

In 2023, more than 50% of the waste generated was already recycled!

## ZERO PAPER PROGRAM



The aim of the Zero Paper Program, launched in January 2023, is to perfect, optimize and improve our processes through digitalization, technology, and people.

We want to achieve the digital transformation of our organization through the digitalization of processes, which will allow us to have more efficient processes, and the application of digital technologies combined with the advanced digital skills of people.

During 2023 we were working on the first phase. The objective is to know the level of digitalization of each site. To do this, we are mapping our processes following the methodology developed during the first stage of the project. We are deploying a local Zero Paper team in each plant to apply the methodology and obtain the AS-IS situation of each site.

# WASTE 2023

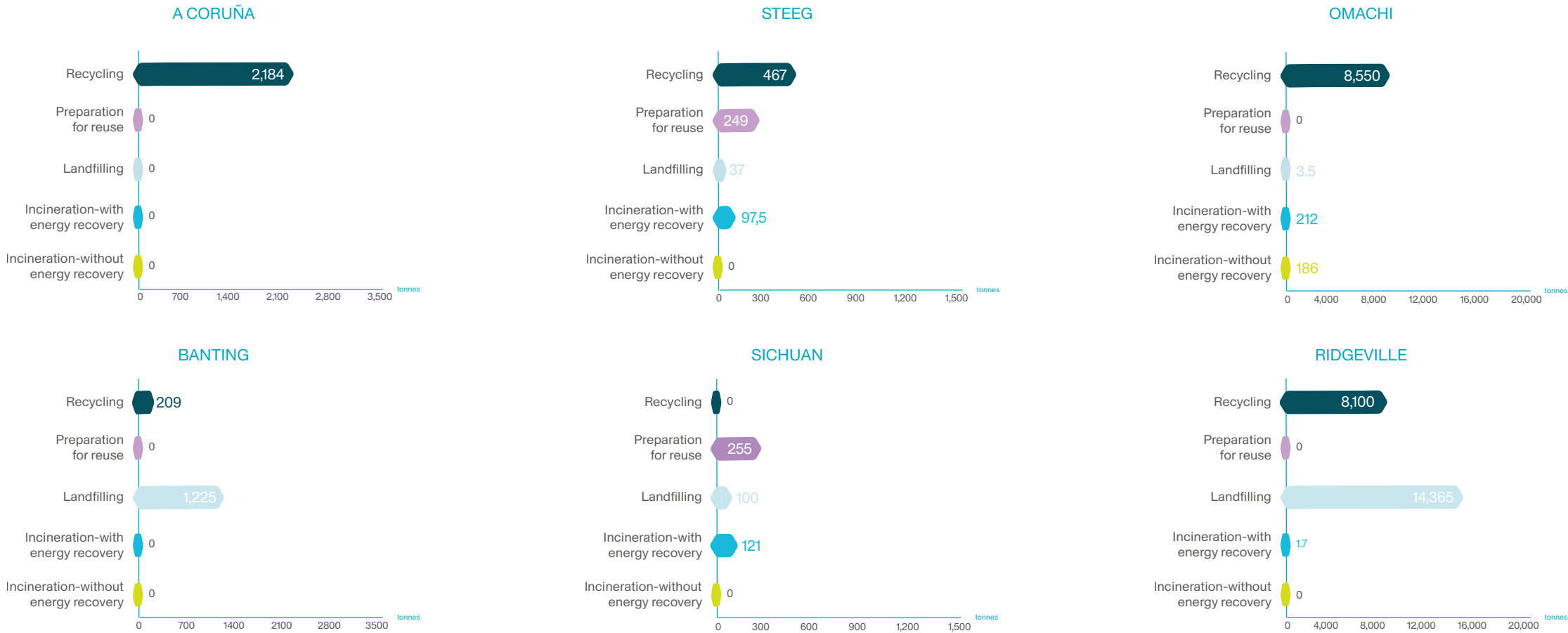
## Hazardous Waste





# WASTE 2023

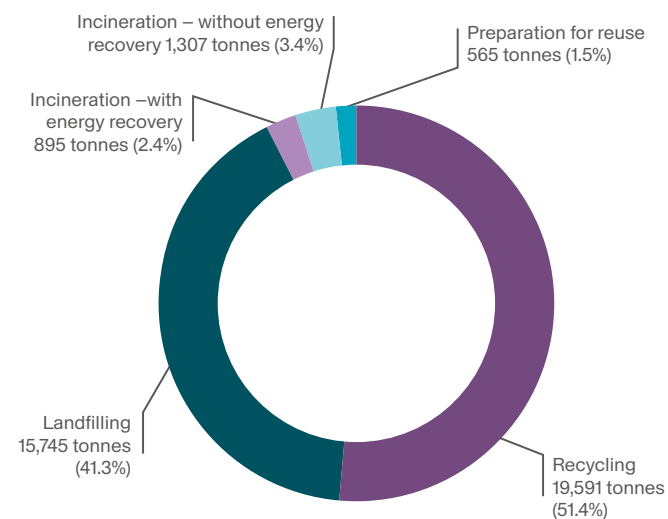
## Non-Hazardous Waste



# WASTE 2023

## Waste Management (Hazardous & Non-Hazardous)

Waste Treatment



Of the 38,103 tonnes of waste generated, this includes 154 tonnes of paper and cardboard, 108 tonnes of plastic, 232 tonnes of residual, 1,485 tonnes of scrap metal, 634 tonnes of wood.

\*The figures represent waste generation solely from production sites. Data from office locations are not included.



Gersthofen Office (Germany)



Steeg Plant (Austria)

## 6.3

# OTHER ENVIRONMENTAL ASPECTS

## BIODIVERSITY PRESERVATION

At RGBU, we recognize that biodiversity is essential for the health of our planet and the well-being of our communities. We are committed to preserving biodiversity throughout our operations and supply chain.

### Our Approach

RGBU complies with all applicable laws and regulations related to biodiversity. This includes laws and regulations that protect endangered species, critical habitats, and water quality.

The company also has a number of policies and procedures in place to ensure compliance with environmental laws and regulations. These policies and procedures are regularly reviewed and updated to ensure that they are up-to-date and effective.

Our approach to biodiversity preservation is based on the following principles:

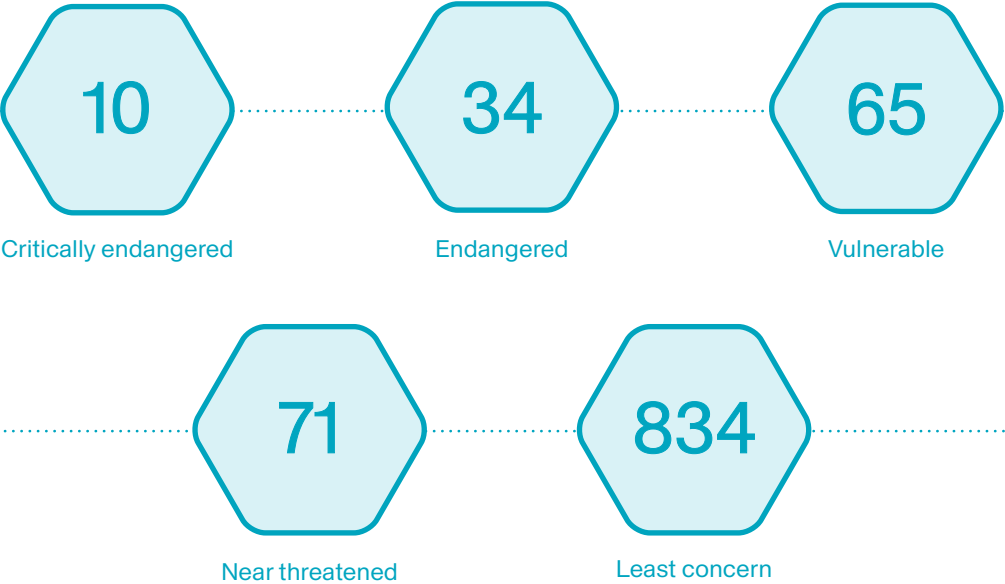
- **Avoidance:** We strive to avoid impacts on biodiversity by carefully planning our operations and selecting sustainable materials.
- **Minimization:** Where impacts cannot be avoided, we work to minimize them through mitigation measures such as replanting and restoration.
- **Restoration:** We offset any residual impacts on biodiversity by investing in restoration projects.



IUCN Red List species and national conservation list species with habitats in areas affected by operations of RGBU

The International Union for Conservation of Nature (IUCN) Red List of Threatened Species is the world's most comprehensive inventory of the global conservation status of plant and animal species. It uses a set of criteria to evaluate the extinction risk of thousands of species and subspecies. The IUCN Red List is recognized as the most authoritative guide to the status of biological diversity.

National conservation lists are similar to the IUCN Red List, but they focus on the conservation status of species within a particular country or region. National conservation lists can be used to identify species that are at risk of extinction within a particular country or region and to develop conservation strategies for those species.



Solidified Pitch



Ridgeville Plant (USA)

## Forestry

Forests are one of the most important ecosystems on Earth. They provide a home to a wide variety of plants and animals, and they play a vital role in regulating the climate and providing clean water.

We are committed to the sustainable management of our forests.

### Preserving 590 acres of Loblolly Pine at RGBU Ridgeville plant (United States of America)

In 1982 RESONAC Graphite Business Unit – RGA's predecessor purchased approximately 809 acres<sup>1</sup>, for its Graphite Electrode operation, from a silviculture company that operated a Loblolly Pine (*Pinus taeda*) silviculture practice. Loblolly Pine is a native species to the southeastern United States. Loblolly pine seeds are an important food source for birds and small mammals. More than 20 songbirds feed on loblolly pine seeds, and the seeds make up more than half the diet of the red crossbill. Deer and rabbits browse seedlings. Loblolly pine stands provide cover and habitat for white-tailed deer, northern bobwhite, wild turkey, and grey and fox squirrels. Properly managed old-growth loblolly pine provides nesting habitat for the endangered red-cockaded woodpecker.

RGBU has retained approximately 790-acres<sup>1</sup> of the original assemblage and continues to practice proper forest management and silviculture activity on approximately 590-acres<sup>1</sup> of the original assemblage. The silvicultural activity can include, but isn't limited to practices of prescribed burns, the use of herbicides, and mechanical treatments that arrest natural succession in loblolly pine stands by retarding the growth and development of hardwood understories.

Forest management plans have been developed by external professionals. The third party, who developed the forest management plan, helps to maintain the habitat by way of conducting the silviculture activities. The standards and assumptions of the proper forest management activities are derived from expert knowledge of licensed foresters.

<sup>1</sup> An acre is a unit of land area used in the imperial system. It is equal to 4,356 square feet, 4,840 square yards, or 160 square rods. One acre is also equivalent to 0.40468564 hectares or 4046.8564 square meters. Acres are commonly used to measure land area in the United States, the United Kingdom, and other countries that use the imperial system. In other parts of the world, the metric system is used to measure land area, and the hectare is the most common unit of measurement.



# WATER MANAGEMENT

## Water Withdrawal

RGBU interacts with water in a number of ways. We withdraw water from local sources to use in our manufacturing processes, including cooling and washing. We also discharge water into local waterways after it has been used in our processes.

We are committed to using water responsibly and minimizing our impact on water resources. We have several water conservation measures in place, including:

- Using water-efficient technologies.
- Recycling and reusing water whenever possible.
- Reducing our overall water consumption.

We also work with local stakeholders to understand and address water-related challenges in the communities where we operate.

## Water Discharge

The water we discharge into local waterways is treated to meet or exceed all applicable water quality standards. We monitor our water discharge on a regular basis to ensure that it is meeting these standards.

We are also working to reduce the amount of pollutants in our water discharge. We have a number of initiatives in place to do this, including:

- Using less hazardous chemicals in our manufacturing processes.
- Pretreating wastewater before it is discharged.
- Investing in new technologies to remove pollutants from wastewater.

## Identifying Water-Related Impacts

We use a variety of tools and methodologies to identify water-related impacts, including:

- Water risk assessments.
- Stakeholder engagement.
- Life cycle assessments.

We conduct water risk assessments to identify the potential water-related risks associated with our operations, products, and services. We also engage with stakeholders to understand their concerns about water-related impacts. We use life cycle assessments to identify the water-related impacts of our products and services throughout their entire life cycle.



## Water Temperature Control and Recycling System

During 2023, in the A Coruña plant, a Water Recycling System was implemented to enhance the efficiency of our electrode production process through advanced water management technologies.

This initiative includes a state-of-the-art water temperature control system, designed to regulate the cooling of electrodes during their production phase. The system ensures precise temperature management, optimizing the cooling process and improving overall operational efficiency. By recirculating the water used in production, we have significantly reduced water consumption per ton of product.



Tokiwa Hydroelectric Plant (Omachi, Japan)

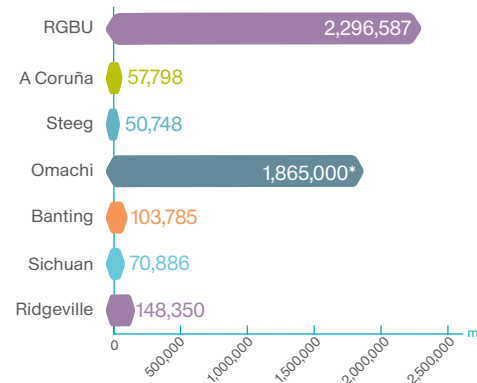




Waterway Center (Omachi, Japan)

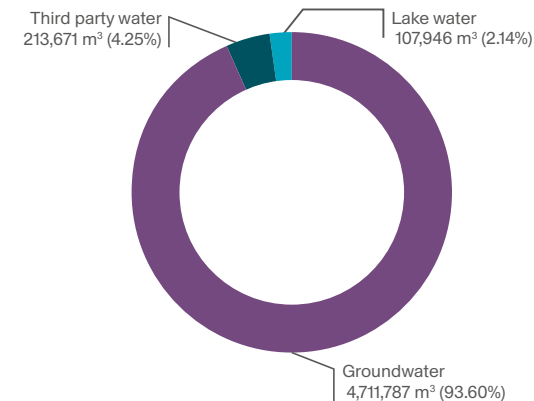
## WATER 2023

### Water consumption

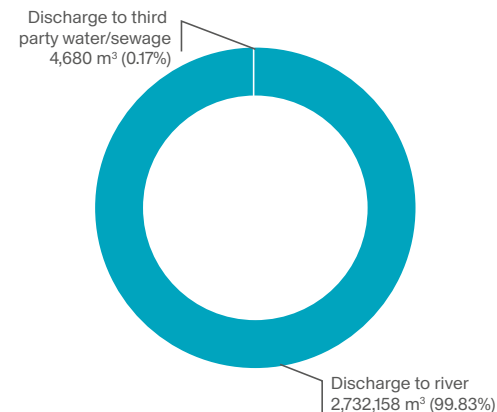


\*The water consumption quantity of the Omachi site differs significantly from that of our other sites. The reason for this is that the main water withdrawals are from wells and the water is using for continuous operation, and most of those waters are returned to the river.

### RGBU Water intake by source



### RGBU Water discharge by destination



The figures represent water usage solely from production sites. Data from office locations are not included.

# 07

## Social



- 7.1. People
- 7.2. Together towards Change
- 7.3. GO ANZEN NI - Safety Culture at work
- 7.4. Our value chain
- 7.5. Our communities

People at Ridgeville Plant (USA)





Participants at OWEx Training

# 7.1 PEOPLE

We believe that talent acquisition is essential to our success. We are committed to attracting, hiring, and retaining the best talent in the industry.

Talent is not measured by the number of educational

qualifications. Not even by promotions within a career path. Talent is the ease and skill to perform certain tasks. And it does not always correspond to the professional position we hold. At RGBU we are committed to each person's talent, passions,

and aspirations. We believe in people's personal skills and versatility, and that's why we like to give our employees opportunities in fields they have not yet explored.

Our talent acquisition strategy is focused on the following:

Building a strong employer brand.

Developing a diverse and inclusive workforce.

Investing in talent development.

We believe that our talent acquisition strategy is a key factor in our success. We have a strong team of employees who are committed to our mission and values. We are confident that our talent acquisition strategy will continue to help us attract, hire, and retain the best talent in the industry.



Creating the Ideal Workplace for Future Generations.

Where you and your loved ones want to work and develop a fulfilling career.



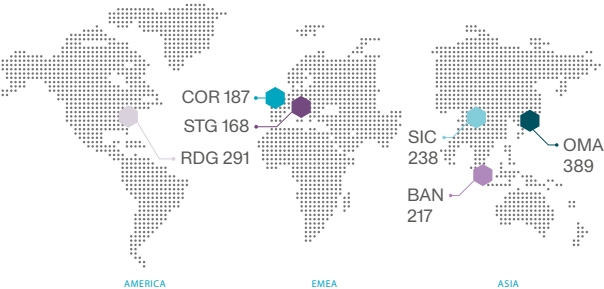
OUR TEAM

Total number of employees of RGBU

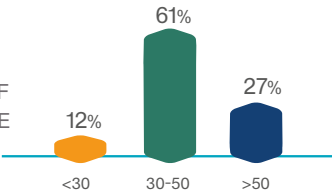
1,602



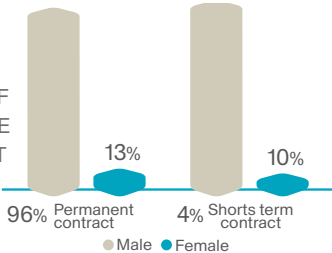
Workforce distribution by location 2023



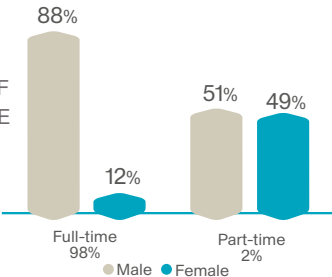
DISTRIBUTION OF THE WORKFORCE BY AGE 2023



DISTRIBUTION OF THE WORKFORCE BY EMPLOYMENT CONTRACT 2023



DISTRIBUTION OF THE WORKFORCE BY TYPE OF WORKING DAY 2023



WORKFORCE DISTRIBUTION by location (offices):

- TKY: 28
- WIE: 10
- GHF: 69
- ITA: 5

150 NEW RECRUITMENTS IN 2023

BY GENDER



BY AGE



187 TURNOVER IN 2023

BY GENDER

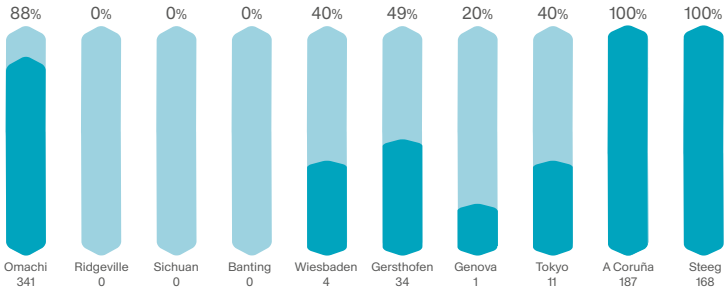


BY AGE



Percentage of employees covered by collective bargaining agreements in RGBU:

47%



Tokyo Headquarters Office (Japan)



## 7.2 TOGETHER TOWARDS CHANGE

At Resonac Graphite Business Unit, we always say that people are our greatest asset. It is our employees who drive continuous improvement at RGBU, making the company better each day. Therefore, RGBU is committed to becoming better for them every day.

Our employees come from all over the world, and they bring with them a wealth of different experiences and perspectives. This diversity of thought is essential to our innovation process, and it helps us to better understand the needs of our customers.

We are also committed to providing our employees with opportunities to learn and grow. We offer a variety of training and development programs, and we encourage our employees to take on new challenges. We believe that by investing in our employees, we are investing in the future of our company.



## Our Way to Excellence - OWEx

Our Way to Excellence (OWEx) is the holistic system by which RGBU promotes the understanding of end-to-end processes, transformational leadership, cross-functional collaboration, and talent development.

OWEx is designed to support regions, functions, and sites on our shared transformation journey towards excellence, thus building the basis for developing talent across the whole organization.



## Employer of choice

We believe that employee satisfaction is essential to our success. We are committed to continuing to improve our work environment, and we are sure that our efforts will make RGBU an employer of choice.

Employee satisfaction is a key performance indicator (KPI) for RGBU. We track employee satisfaction through a variety of methods, including employee surveys, focus groups, exit interviews, and Employee Net Promoter Score (eNPS).



## Employee Net Promoter Score (eNPS)

eNPS is a survey-based metric that measures employee loyalty and willingness to recommend our company as a place to work.

In 2023, our eNPS score was 80, which is significantly higher than the industry average of 30. This score indicates that our employees are highly engaged and loyal to our company. We are proud of this achievement and believe it is a testament to our strong company culture.

We are committed to continuously improving our eNPS score and creating an even better workplace for our employees.

Proof of this commitment is the Great Place to Work initiative, which emerged from the eNPS results.

In 2023, the A Coruña plant was certified as a Great Place to Work®.



Employer of Choice program shows that the company is taking concrete steps to address the areas for improvement identified in the survey, aimed at establishing RGBU as the ideal workplace—one where we would want our loved ones to work. Through this program, we strive to enhance employee well-being, attract top talent, and adapt our company to evolving changes.

## Eager2Grow – The OWEx Fellowship Program

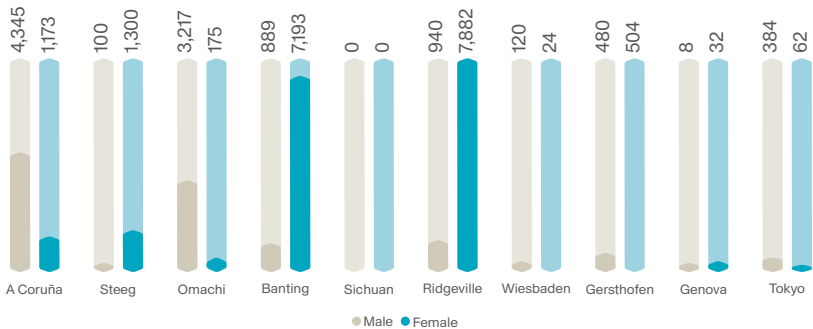
Directly linked to these two initiatives, the company has launched Eager2Grow, the OWEx Fellowship Program, to reinforce our RGBU values on the level of leadership and thus enable our leaders to act as role models and multipliers in their different leadership roles at various levels of the organization.

The very name of the program reflects the emphasis on high motivation and proactivity expected of its participants, who are eager to learn and develop themselves and encourage others to do the same. With the term "Fellowship", we express the idea that participants, in their role as leaders, become peers on an eye-level to others in the organization.

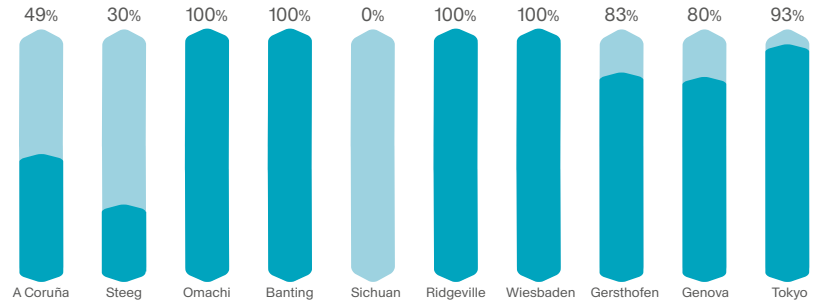




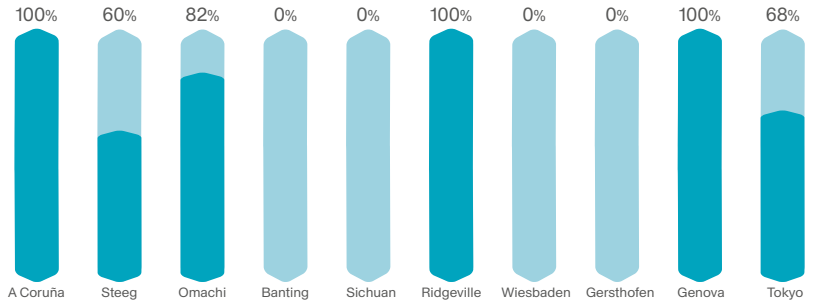
Training hours in 2023



Percentage of employees receiving regular performance and career development reviews



Percentage of employees trained on human rights



Employee Training

We believe that investing in employee training is essential to our long-term success. By providing our employees with the training they need, we can ensure that they are prepared to meet the challenges of the future and that we can continue to operate in a safe, sustainable, and successful manner.

In 2023, we provided extensive training to our employees across various areas, including onboarding, technical skills, essential skills, and soft skills. To evaluate the effectiveness of these programs, we track employee performance, conduct surveys, and gather feedback from participants. This feedback is used to continuously enhance our training programs, ensuring they meet the evolving needs of our workforce.

Diversity, Equality, and Inclusion (DEI)

At RGBU, we are committed to creating a diverse, equitable, and inclusive workplace where all employees feel valued and respected. We believe that a diverse workforce is essential to our success, and we are constantly working to improve our Diversity, Equality, and Inclusion initiatives.

A diverse workforce brings a variety of perspectives and experiences to the table, which can lead to better decision-making and innovation. Additionally, an inclusive workplace is one where everyone feels like they belong, which can lead to increased employee engagement and productivity.

Our commitment to diversity and inclusion is a competitive advantage. A diverse and inclusive workforce helps us to better understand and meet the needs of our customers, and it allows us to attract and retain the best talent.

Women's Week to increase the visibility of women in the industry

As part of our Employer of Choice program and our commitment to Diversity, Equality, and Inclusion (DEI), we organized a series of events and activities to recognize and highlight the essential role of women in RGBU. From thought-provoking panel discussions and inspirational talks to networking sessions and professional development workshops, Women's Week provided an excellent opportunity to reflect on the challenges and achievements of women in the workplace. It also helped us to promote a more inclusive and equitable environment at RGBU.



A Coruña Plant (Spain)

## 7.3

# GO ANZEN NI - SAFETY CULTURE AT WORK

Our safety culture is based on the principle of "Go Anzen Ni", which means "Safety First" in Japanese. This principle is at the heart of everything we do. It is a reminder that everyone is responsible for their own safety and the safety of those around them.

We are very proud to be part of a company where safety does not compete with production. We work to have a place where we would like our loved ones to work; that is our motto and that is our way of doing things.

For us, the daily work in Health, Safety, and the Environment (HSE) is oriented in three directions:

Each of us can be a **Safety Leader**. Every day we have many opportunities to lead in safety by setting an example with our attitude and performance.

To achieve our goals in HSE, we work on three KEY DRIVERS:



### SUSTAINABILITY

We are committed to operating our business in a sustainable and responsible manner, and we believe that Environmental, Social, and Governance (ESG) considerations are critical to our long-term success.



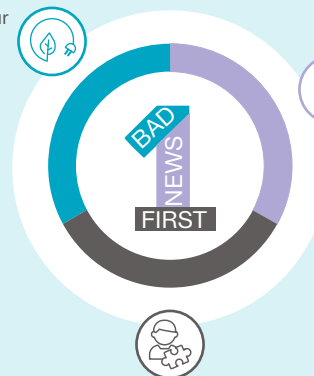
### SAFETY BY DESIGN

Looking to improve the safety from the beginning and trying to ensure the intrinsic safety of our devices and facilities, we involve HSE teams more and more in our CAPEX procedures.



### LEADERSHIP & COMMUNICATION

We want to build an organization in which each person feels like a Safety Leader regardless of his or her role or hierarchical position.



Safety is an issue for all of us. That's why **Teamwork and Passion** for what we do is the only valid route to achieving the highest HSE standards.

Our **Commitment** to HSE represents the peace of mind of our families, who know that we are cared for at work just as we are cared for at home.

Below you will be able to access some of the initiatives with which we add value to our business:

## BAD NEWS FIRST

We believe that effective communication is the foundation of trust in any organization. Under this premise, we launched BAD NEWS FIRST, an initiative aimed at transforming communication and increasing transparency at all levels.

What began as a communication tool has quickly evolved into our working philosophy. BAD NEWS FIRST has fundamentally changed the way we approach safety in our workplace and our focus on people.

### Safety Moment

A safety moment is an exercise in vulnerability that demonstrates a moment of growth, reflection, or an increase in safety mindset of the person sharing it, typically at the beginning of a meeting.

The purpose of this tool is to make explicit the leader's **VISIBLE COMMITMENT** to safety, thereby generating reflection and action in others and moving them out of their comfort zone. It allows us to extract very valuable safety lessons from everyday situations.



Town Hall Meeting, Gersthofen (Germany)

## SAFETY RANGERS

In 2020, a project ended with the goal of bringing all our safety processes to the attention of the entire organization. To do so, we knew that the only way to really reach everyone was to make it approachable and congenial.

The guidelines were clear, but the real challenge was to make the employees, who are at the forefront of the company's production processes, see that safety should be tackled as a priority and become a part of our DNA, the essence of our personal and professional vision.

This is how the Safety Rangers came into being, eight superheroes who represent each of our sites and who are also connected to our approach to Health, Safety, and the Environment.

Our mascots, just as our unsung leaders do every day, have a clear mission: to stop Risk, the villain who is on the lookout for the slightest mistake to cause an accident.





## 10 SAFETY ACTION RULES

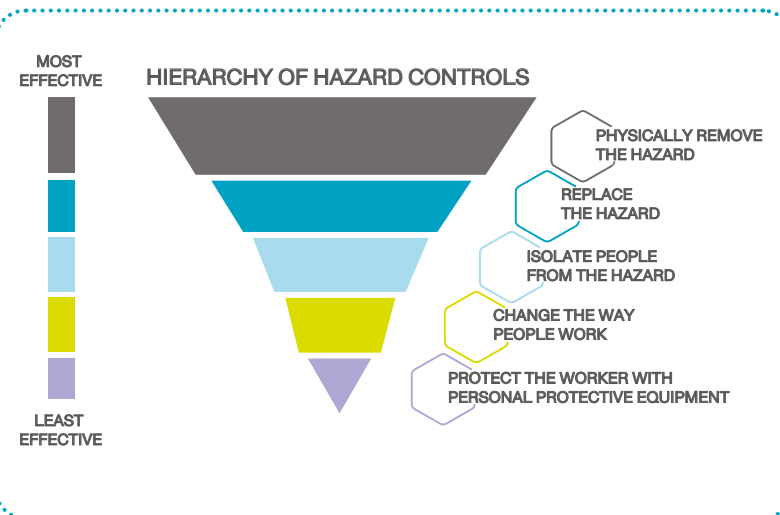
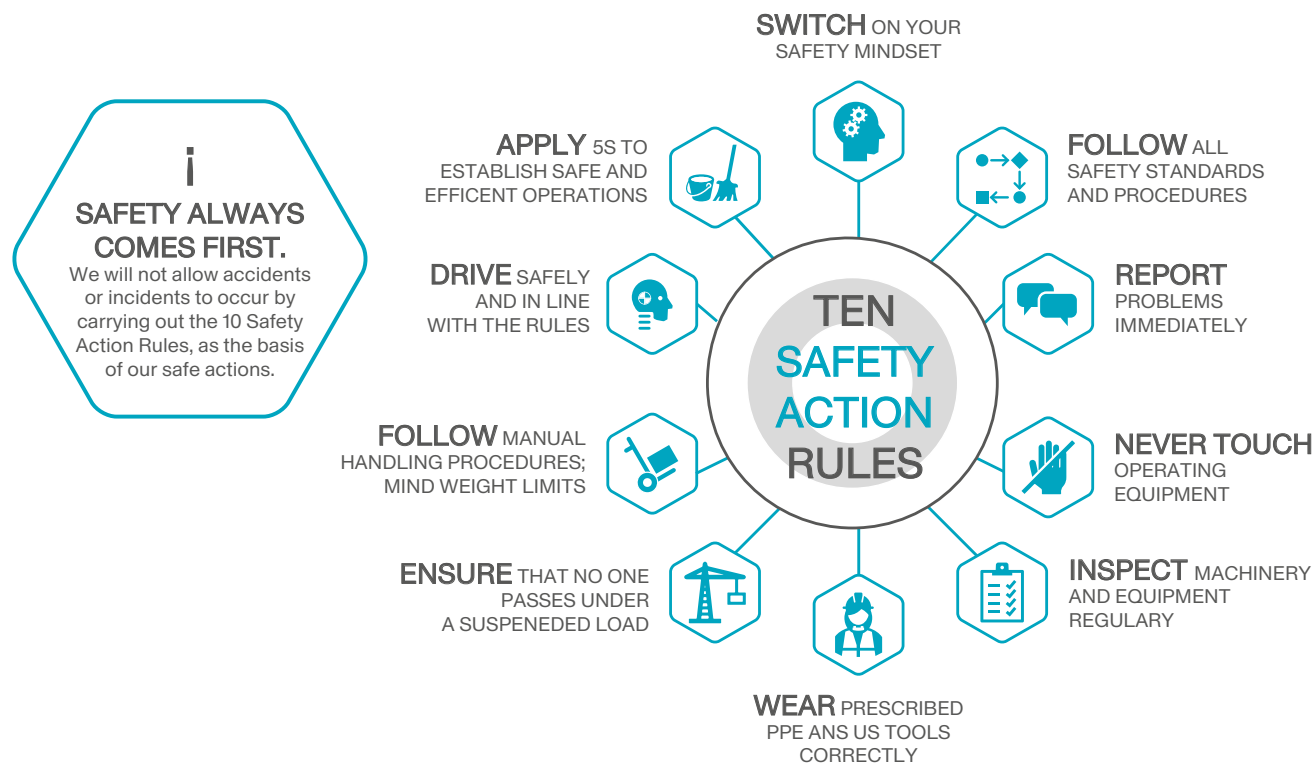
Making safety expectations explicit is very important to enable the possibility of connecting our employees with a better version of themselves.

Our 10 Safety Action Rules act on the main risks of our business, encouraging positive safety behavior and helping to develop a higher maturity level in our Safety Culture.

## SAFETY BY DESIGN

Safety is essential in our design process from the beginning of a project. Implemented in the drafting of the design concept, we conduct early-stage hazard analysis (iteratively, if needed) involving designers, production and maintenance technicians and engineers, and the HSE department.

This approach helps teams to have a better understanding of the possible risks for facilities and operators. Common risk appetite/awareness generates synergies between team members, who naturally collaborate to create a design that reduces risk of accidents to the minimum levels possible. The real value is that we change the thinking from “this will probably not happen” to “we cannot allow this to happen”.



## DIGITALIZATION

Digitalization has become a powerful tool for us to connect our way of working in safety to our values. In this way, digital is the means, what is hidden behind the technology is a new way of working, much more coordinated, agile and focused on helping users to work in a safer and more efficient way:

The **LOTO Digital system** has helped us to simplify our planning work, speeding up development times, improving the safety of our employees and enabling traceability analysis.

**HSE Bulletin** is an internal communication tool for the Graphite Business Unit to increase awareness of HSE learning, improving transparency and knowledge sharing between plants.

Our **Reporting and Information Management Software** allows anyone in our organization, in any location, to activate our Bad News First philosophy in an agile and practical way (e.g., Prosafety software).



### PROSAFETY

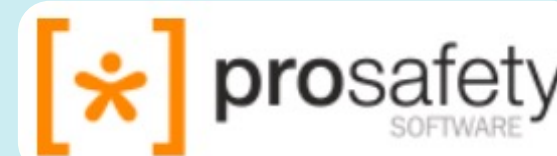
PROSAFETY is a software program that helps RGBU improve workplace safety. It works by providing a central repository for all safety-related information. This information includes:

- Incident reports.
- Risk assessments.
- Training records.
- Audit and inspection reports.

This information can be used to identify trends and patterns and to develop preventive measures.

PROSAFETY also includes several features that assist RGBU in managing safety risks, such as:

- Alerts and notifications.
- Corrective action plans.
- Reporting and analytics.



# MAIN HSE INDICATORS IN 2023

## Employees

2023

Total number of recordable work-related injury <sup>6</sup>	3
• Number of fatalities as a result of work-related injury <sup>7</sup>	0
• Number of high-consequence work-related injuries <sup>8</sup>	0
• Number of moderate accidents (lost time accidents excluding severe and fatalities) <sup>9</sup>	3
Number of hours worked	2,973,804
Rate of recordable work-related injuries <sup>10</sup>	1.01
Rate of fatalities as a result of work-related injury <sup>11</sup>	0
Number of fatalities as a result of work-related ill health <sup>12</sup>	0
Number of cases of recordable work-related ill health <sup>6</sup>	0

## Non-Employees<sup>14</sup>

2023

Total number of recordable work-related injury <sup>6</sup>	0
• Number of fatalities as a result of work-related injury <sup>7</sup>	0
• Number of high-consequence work-related injuries <sup>8</sup>	0
• Number of moderate accidents (lost time accidents excluding severe and fatalities) <sup>9</sup>	0
Number of hours worked	424,347
Rate of recordable work-related injuries <sup>10</sup>	0.00
Rate of fatalities as a result of work-related injury <sup>11</sup>	0
Number of fatalities as a result of work-related ill health <sup>12</sup>	0
Number of cases of recordable work-related ill health <sup>6</sup>	0

## Workers covered by an occupational health and safety management system (Total workforce<sup>13</sup>)

2023

RGBU	2,044
A Coruña	337
Steeg	168
Omachi	585
Banting	263
Sichuan	255
Ridgeville	316
Offices	120

## Worker training on occupational health and safety (hours)

2023

RGBU	24,623
A Coruña	2,565
Steeg	2,454
Omachi	3,823
Banting	4,159
Sichuan	7,016
Ridgeville	3,681
Offices	925



## OUR LIFE program

Our comprehensive health and wellness program at our plant in A Coruña, Our Life, is designed to help employees achieve their individual health goals. The program offers a wide range of services and resources, including: Health screenings and assessments ; On-site fitness classes and wellness programs; Nutritional counseling and weight loss programs; Smoking cessation programs; Stress management workshops; Sleep health education; Chronic disease management programs.

<sup>6</sup> Recordable work-related injury or ill health that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.

<sup>7</sup> Work-related injury that results in a death

<sup>8</sup> Work-related injury that results in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.

<sup>9</sup> Work-related injury that results in at least one day away from work, restricted work or transfer to another job excluding fatalities and high-consequence work related injuries.

<sup>10</sup> [(Number of recordable work-related injuries)/(Number of hours worked)]\*1,000,000

<sup>11</sup> [(Number of fatalities as a result of work-related injury)/(Number of hours worked)]\*1,000,000

<sup>12</sup> Work-related ill health can include acute, recurring, and chronic health problems caused or aggravated by work conditions or practices.

<sup>13</sup> Total workforce includes both employees and non-employees.

<sup>14</sup> Workers who are not employees are those who perform work for the organization but are not in an employment relationship with the organization. This disclosure requires the organization to report the number of workers who are not employees and whose work is controlled by the organization. Control of work implies that the organization directs the work performed or has control over the means or methods for performing the work.





Operator at Banting Plant (Malaysia)

## 7.4 OUR VALUE CHAIN

At RGBU, we are committed to ensuring that our supply chain is sustainable, not only in terms of environmental impact, but also in terms of social impact. We believe that a sustainable supply chain is one that respects the rights of workers and ensures that they are treated fairly and with dignity.

Our approach to supply chain workforce sustainability is based on our Supplier Code of Conduct, which sets out our expectations for suppliers in terms of labor practices.

We are committed to a sustainable supply chain. We believe that this is the right thing to do for the people who work in our supply chain, for the environment, and for our business.

We will continue to work to improve our supply chain sustainability performance. We will do this by:

Continuing to implement and enforce our Supplier Code of Conduct.

Implementing EcoVadis.

Working with suppliers to improve their sustainability performance.

Investing in sustainable supply chain technologies.

We believe that by taking these steps, we can make a positive difference in the lives of the people who work in our supply chain and help protect the environment.



Gersthofen Office (Germany)

## 7.5 OUR COMMUNITIES

In alignment with our Resonac corporate mission to “Change Society through the Power of Chemistry,” and with the goal of driving our Environmental, Social, and Governance effort, Resonac Graphite Business Unit believes in the power of sustainability and the importance of our corporate social responsibility.

We want employees to feel proud of being part of the RGBU family and to become ambassadors for the company's values and culture.

In line with these commitments, a Corporate Social Responsibility (CSR) strategy focuses on key areas where we can make a significant impact:

**Responsible Innovation and Research:** Driving forward-thinking research and development initiatives that prioritize sustainability and ethical practices.

**Talent Development in Science, Technology, Engineering and Mathematics (STEM):** Investing in educational programs and initiatives that nurture talent in science, technology, engineering, and mathematics, empowering future generations.

**Well-being of our communities and employees:** Supporting initiatives that improve the quality of life for both our local communities and our employees, fostering a culture of health, safety, and well-being.

## CREATING VALUE IN THE COMMUNITY

At RGBU, we believe that a strong community is a good business. That's why we are committed to investing in the communities where we operate, supporting the local economy by purchasing goods and services from local suppliers.

This investment includes donations to local organizations, sponsorships of community events, and employee volunteerism.



### Safety Equipment Donation (RGAT - Austria)

RGBU donated suspension loops for respiratory protection gear to volunteer firefighters in Bad Goisern. This donation will help ensure that firefighters can easily access their respiratory protection gear in the event of an emergency, potentially saving lives.



### Water Dispenser Donation (RGM - Malaysia)

RGBU donated water dispensers to two schools in Banting and held a design competition for the dispensers. This donation will help ensure that students have access to clean, safe drinking water, and the design competition gave students an opportunity to express their creativity.



### Clothes Recycling and Disability Employment (RGS - Spain)

RGBU donates used work clothes for recycling and partners with service companies that employ people with disabilities for laundry services. This initiative helps to reduce waste, create jobs for people with disabilities, and support the local economy.





## Employee Engagement



### Women's Race Participation (RGS - Spain)

The event, in which more than 5,000 women participated, consisted of a 6-kilometer run. In addition to the spirit of solidarity and the contributions of the runners and the organization to various entities and NGOs (such as the Spanish Association Against Cancer), all the participants wore the 016 bib (telephone number for victims of gender violence in Spain, which leaves no mark on the phone bill) along with the slogan of the Pink Tide, "Your bib adds up".

In addition, the A Coruña plant had another reason to rejoice, as they were the fastest group of women in the Companies category, for which they received a trophy. Many thanks to our colleagues in A Coruña for their involvement in important issues like this, and congratulations on their triumph.



### Food Bank Collaboration (RGS - Spain)

RGBU collaborates with the Rías Altas Food Bank in A Coruña. This collaboration helps to provide food to people in need within the local community.



### Plant Clean-up Day (RGA – United States of America)

Resonac Graphite America teams came together to commit to a Plant Clean-up Day at the Ridgeville site.

The enthusiasm and support they showed during the clean-up event demonstrated the true essence of RGA's culture - a unified team committed to making a positive impact on our workplace and the environment.

Their hard work and dedication were evident, and the plant now not only looks better but also reflects the pride we take in maintaining a clean and conducive working environment for our operators and technicians. The success of the Plant Clean-up Day would not have been possible without our colleagues' participation and commitment. It is moments like these that reaffirm our belief in the strength of the RGBU family and the positive change we can bring about together.



### Childhood Cancer Awareness (RGS - Spain)

February 15 is World Childhood Cancer Day. Taking advantage of the occasion, the Aladina Foundation has launched the "Pañuelo Challenge", in which RGBU has participated. This challenge consists of participants, once they have purchased the Foundation's scarf, taking a photo and uploading it to social networks with the hashtag "PañueloChallengeAladina".

With the Scarf Challenge campaign, we fight to give visibility to childhood cancer and the use of the scarf that children and adolescents wear when they lose their hair due to the treatments they undergo.

The goal of this initiative is to raise enough money to finance scholarships for young oncologists.







### Blackwater Boogie Sponsorship (RGA – United States of America)

Resonac Graphite America became a sponsor because we believe in sustainability as an unwavering principle and capable of improving the world. That is why "RGA has been proud to be an active part of Ridgeville and the surrounding communities for 35 years", in the words of Brad Canaday, president of RGA.



### Charity Run Participation (RGAT - Austria)

With 800 starters on site, laps were collected, one lap being 6.8km long. With 34 RGA participants we reached the 3rd place in the ranking of "Most Team Participants". Another success was achieved in the ranking of "Team with the Most Laps", with 151 laps placing us in 2nd place. Also, the winner, Neubacher Andreas, with 29 laps and 187.5 km, comes from our RGA team.



### Omachi Alps Marathon (RGJ - Japan)

The colleagues of Resonac Graphite Japan, moved by this spirit, joined the Omachi Alps Marathon, held on October 15. This event began in 1983 (Showa 58) with the slogan 'Let's run for the roof of Japan!' at the foot of the Northern Alps. The staff of this event and local residents provide warm hospitality to all runners who run in the idyllic countryside with the backdrop of the wild nature of the Northern Alps and the beautiful maple tree.



### Charity Ride – Cycle the South (RGA – United States of America)

#### Support for the American Cancer Society with our steelmaking partner Nucor Steel

Our Resonac Graphite America Product Performance Development Manager Phelan Cox is participating in the Cycle the South Hope Ride (LINK) in support of American Cancer Society! The four-day event, hosted by Nucor Steel, is in its seventh year of funding groundbreaking cancer research and patient care programs in our communities. We are proud of Phelan's efforts to honor cancer survivors, spread the word about reducing cancer risk, and raise money to help the American Cancer Society save lives.

## OUR ALLIANCES



### ECGA (European advanced Carbon and Graphite Materials Association)

Founded in 1995 in Brussels, ECGA represents EU carbon and graphite producers, including those in the steel, foundry, aluminum, and battery industries. It has 23 members across Europe. RGBU is represented on the Board of Directors by Eugen Hofer, Managing Director at Resonac Graphite Austria GmbH.



### AEGE (Spanish Association of Energy-Intensive Industries)

AEGE, established in 1980, promotes energy policies for Spanish electro-intensive industries. Representing 30 companies with 86 plants, AEGE's members account for 7% of Spain's annual electricity demand. These companies generate €20 billion in revenue and 186,000 jobs. RGBU's Arturo González is a member of the executive committee.



STEEL MANUFACTURERS ASSOCIATION

### SMA (Steel Manufacturers Association)

SMA represents 30 North American steel companies using eco-friendly electric arc furnace (EAF) processes, contributing to over 70% of domestic steel production. The association supports over 100,000 jobs and significant economic impact. Resonac Graphite America Inc. is an associate member.



### GSCC (Global Steel Climate Council)

Founded in 2023 in Brussels, GSCC works to reduce steel industry emissions through "The Steel Climate Standard," aligned with the Paris Agreement. The council promotes global adoption of this standard and develops tools to help producers reduce emissions. RGBU is a member and supporter.



### MISIF (Malaysian Iron and Steel Industry Federation)

MISIF represents Malaysia's steel sector, with 30 key industrial players operating over 80 plants. The federation supports energy-intensive companies and contributes significantly to the Malaysian economy. Resonac Graphite Malaysia Sdn Bhd is an associate member.



### SEAISI (South East Asia Iron & Steel Institute)

Established in 1971, SEAISI promotes the Southeast Asian steel industry through technology transfer and industry development. It includes 30 leading companies and addresses high energy costs in steel production. Resonac Graphite Malaysia Sdn Bhd is an associate member.



### AEC (Spanish Association for Quality)

Founded in 1961, AEC promotes quality as a driver of competitiveness and sustainability across all sectors of the Spanish economy. It offers training, certification, consulting, and networking. AEC collaborates with various stakeholders to promote quality practices. Resonac Graphite Spain S.A.U is a member.



# 08

## Annexes

### 8.1. GRI content index.

Gersthofen Office (Germany)

# GRI CONTENT INDEX

GRI	Section	Pages	Direct response or omission (if apply)
<b>ESRS 2: General disclosures</b>			
<b>GRI 1: Foundation 2021</b>			
<b>GRI 2: General Disclosures 2021</b>			
2-1	Organizational details.	2. About this report. 3.4 RGBU in the world - Main figures & financial excellence.	6 21-23
2-2	Entities included in the organization's sustainability reporting.	2. About this report.	6
2-3	Reporting period, frequency and contact point.	2. About this report.	6-7
2-4	Restatements of information.	-	The 2023 RGBU Report is being carried out this year for the first time, so although most of the indicators present a comparison with the previous year, such data was not reported in any report. They were only an aggregated part of the Annual Report of RESONAC Corporation.
2-5	External assurance.	-	RGBU's 2023 Annual Report has not been subjected to independent verification.
2-6	Activities, value chain and other business relationships.	3.2 What we do - RGBU business model We sell value - not volume. 4.2 Together towards tomorrow. 5.3 RGBU Corporate Governance Transparency.	13-17 33-35 51
2-7	Employees.	7.1 Social - People.	73-74
2-8	Workers who are not employees.	7.1 Social - People.	73-74
2-9	Governance structure and composition.	5.1 RGBU Corporate Governance System.	37-41
2-10	Nomination and selection of the highest governance body.	5.1 RGBU Corporate Governance System.	37-41
2-11	Chair of the highest governance body.	5.1 RGBU Corporate Governance System.	37-41
2-12	Role of the highest governance body in overseeing the management of impacts.	5.1 RGBU Corporate Governance System. 5.2 RGBU Corporate Governance Ethics and Integrity. 5.3 RGBU Corporate Governance Transparency.	37-41 42-50 51
2-13	Delegation of responsibility for managing impacts.	5.1 RGBU Corporate Governance System.	37-41
2-14	Role of the highest governance body in sustainability reporting.	5.1 RGBU Corporate Governance System. 5.2 RGBU Corporate Governance Ethics and Integrity. 5.3 RGBU Corporate Governance Transparency.	37-41 42-50 51
2-15	Conflicts of interest.	5.1 RGBU Corporate Governance System.	37-41
2-16	Communication of critical concerns.	4.1. Sparking Truth - ESG for transforming society through the power of chemistry. 5.2 RGBU Corporate Governance Ethics and Integrity.	27-32 42-50
2-17	Collective knowledge of the highest governance body.	5.1 RGBU Corporate Governance System.	37-41

GRI		Section	Pages	Direct response or omission (if apply)
2-18	Evaluation of the performance of the highest governance body.	5.1 RGBU Corporate Governance System.	37-41	
		5.2 RGBU Corporate Governance Ethics and Integrity.	42-50	
2-19	Remuneration policies.	7.1 Social - People.	73-74	
2-20	Process to determine remuneration.	7.1 Social - People.	73-74	
2-21	Annual total compensation ratio.	7.1 Social - People.	73-74	
2-22	Statement on sustainable development strategy.	4.1 Sparking Truth - ESG for transforming society through the power of chemistry.	27-32	
		4.2 Together towards tomorrow.	33-35	
		5.1 RGBU Corporate Governance System.	37-41	
2-23	Policy commitments.	5.2 RGBU Corporate Governance Ethics and Integrity.	48	
2-24	Embedding policy commitments.	5.2 RGBU Corporate Governance Ethics and Integrity.	48	
2-25	Processes to remediate negative impacts.	5.2 RGBU Corporate Governance Ethics and Integrity.	43-44	
2-26	Mechanisms for seeking advice and raising concerns.	5.2 RGBU Corporate Governance Ethics and Integrity.	43-47	
2-27	Compliance with laws and regulations.	5.2 RGBU Corporate Governance Ethics and Integrity.	46; 50	
2-28	Membership associations.	7.5 People - Our communities	88	
2-29	Approach to stakeholder engagement.	4.1. Sparking Truth - ESG for transforming society through the power of chemistry.	27-32	
2-30	Collective bargaining agreements.	7.1 Social - People.	73-74	
<b>ESRS E1 Climate Change</b>				
<b>GRI 3: Material Topics 2021</b>				
3-3	Management of material topics.	6.1 Environment - Decarbonization.	53-61	
<b>GRI 201: Economic Performance 2016</b>				
201-2	Financial implications and other risks and opportunities due to climate change.	4.2 Together towards tomorrow.	33-35	
		6.1 Environment - Decarbonization.	57-59	
<b>GRI 302: Energy 2016</b>				
302-1	Energy consumption within the organization.	6.1 Environment - Decarbonization.	60	
302-2	Energy consumption outside of the organization.	6.1 Environment - Decarbonization.	60	
302-3	Energy intensity.	6.1 Environment - Decarbonization.	60	



GRI		Section	Pages	Direct response or omission (if apply)
302-4	Reduction of energy consumption.	6.1 Environment - Decarbonization.	56-60	
302-5	Reductions in energy requirements of products and services.	6.1 Environment - Decarbonization.	56-60	
<b>GRI 305: Emissions 2016</b>				
305-1	Direct (Scope 1) GHG emissions.	6.1 Environment - Decarbonization.	61	
305-2	Energy indirect (Scope 2) GHG emissions.	6.1 Environment - Decarbonization.	61	
305-3	Other indirect (Scope 3) GHG emissions.	6.1 Environment - Decarbonization.	61	
305-4	GHG emissions intensity.	6.1 Environment - Decarbonization.	61	
305-5	Reduction of GHG emissions.	6.1 Environment - Decarbonization.	61	
<b>ESRS E2 Pollution</b>				
<b>GRI 3: Material Topics 2021</b>				
3-3	Management of material topics.	6.2 Environment - Circular Economy 6.3 Other environmental aspects.	62-66 67-71	
<b>GRI 303: Water and Effluents 2018</b>				
303-2	Management of water discharge related impacts.	6.3 Other environmental aspects.	70-71	
<b>GRI 305: Emissions 2016</b>				
305-6	Emissions of ozone-depleting substances (ODS).	6.1 Environment - Decarbonization.	61	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions.	6.1 Environment - Decarbonization.	61	
<b>GRI 306: Waste 2020</b>				
306-3	Waste generated.	6.2 Environment - Circular Economy	64	
<b>ESRS E3 Water and marine resources</b>				
<b>GRI 3: Material Topics 2021</b>				
3-3	Management of material topics.	6.3 Other environmental aspects.	67-71	
<b>GRI 303: Water and Effluents 2018</b>				
303-1	Interactions with water as a shared resource.	6.3 Other environmental aspects.	70-71	
303-2	Management of water discharge related impacts.	6.3 Other environmental aspects.	70-71	
303-3	Water withdrawal.	6.3 Other environmental aspects.	70-71	
303-4	Water discharge.	6.3 Other environmental aspects.	70-71	
303-5	Water consumption.	6.3 Other environmental aspects.	70-71	

GRI	Section	Pages	Direct response or omission (if apply)
<b>ESRS E4 Biodiversity and ecosystems</b>			
<b>GRI 3: Material Topics 2021</b>			
3-3	Management of material topics.	6.3 Other environmental aspects.	67-71
<b>GRI 304: Biodiversity 2016</b>			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	6.3 Other environmental aspects.	67-69
304-2	Significant impacts of activities, products and services on biodiversity.	6.3 Other environmental aspects.	67-69
304-3	Habitats protected or restored.	6.3 Other environmental aspect.	67-69
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations.	6.3 Other environmental aspects.	68
<b>ESRS E5 Resource use and circular economy</b>			
<b>GRI 3: Material Topics 2021</b>			
3-3	Management of material topics.	6.2 Environment - Circular Economy.	62-66
<b>GRI 301: Materials 2016</b>			
301-1	Materials used by weight or volume.	6.2 Environment - Circular Economy.	64-66
301-2	Recycled input materials used.	6.2 Environment - Circular Economy.	64-65
301-3	Reclaimed products and their packaging materials.	6.2 Environment - Circular Economy.	62-66
<b>GRI 306: Waste 2020</b>			
306-1	Waste generation and significant waste-related impacts.	6.2 Environment - Circular Economy.	64-66
306-2	Management of significant waste related impacts.	6.2 Environment - Circular Economy.	62-66
306-3	Waste generated.	6.2 Environment - Circular Economy.	64-66
306-4	Waste diverted from disposal.	6.2 Environment - Circular Economy.	64-66
306-5	Waste directed to disposal.	6.2 Environment - Circular Economy.	64-66
<b>ESRS S1 Own Workforce</b>			
<b>GRI 3: Material Topics 2021</b>			
3-3	Management of material topics.	7.1 People - Social. 7.2 People - Together towards Change. 7.3 People - GO ANZEN NI	73-74 75-77 78-82

GRI	Section	Pages	Direct response or omission (if apply)
<b>GRI 202: Market Presence 2016</b>			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage.	73-74	
<b>GRI 203: Indirect Economic Impacts 2016</b>			
203-2	Significant indirect economic impacts.	84-88	
<b>GRI 401: Employment 2016</b>			
401-1	New employee hires and employee turnover.	73-74	
401-2	Benefits provided to full-time employees that are not provided to temporary or part time employees.	73-74	
401-3	Parental leave.	73-74	
<b>GRI 402: Labor/Management Relations 2016</b>			
402-1	Minimum notice periods regarding operational changes.	73-74	
<b>GRI 403: Occupational Health and Safety 2018</b>			
403-1	Occupational health and safety management system.	78-82	
403-2	Hazard identification, risk assessment, and incident investigation.	78-82	
403-3	Occupational health services.	78-82	
403-4	Worker participation, consultation, and communication on occupational health and safety.	82	
403-5	Worker training on occupational health and safety	82	
403-6	Promotion of worker health.	82	
403-8	Workers covered by an occupational health and safety management system.	82	
403-9	Work-related injuries.	82	
403-10	Work-related ill health.	82	
<b>GRI 404: Training and Education 2016</b>			
404-1	Average hours of training per year per employee.	77 82	
404-2	Programs for upgrading employee skills and transition assistance programs.	77 82	



GRI		Section	Pages	Direct response or omission (if apply)
404-3	Percentage of employees receiving regular performance and career development reviews.	7.2 People - Together Towards Change.	75-77	
<b>GRI 405: Diversity and Equal Opportunity 2016</b>				
405-1	Diversity of governance bodies and employees.	5.1 RGBU Corporate Governance System. 7.1 Social - People.	38-41 73-74	
405-2	Ratio of basic salary and remuneration of women to men.	7.1 Social - People.	73-74	
<b>GRI 406: Non-discrimination 2016</b>				
406-1	Incidents of discrimination and corrective actions taken.	7.1 Social - People.	49	
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk.	5.2 RGBU Corporate Governance Ethics and Integrity.	45; 48; 50	
<b>GRI 408: Child Labor 2016</b>				
408-1	Operations and suppliers at significant risk for incidents of child labor.	5.2 RGBU Corporate Governance Ethics and Integrity.	45; 48; 50	
<b>GRI 409: Forced or Compulsory Labor 2016</b>				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor.	5.2 RGBU Corporate Governance Ethics and Integrity.	45; 48; 50	During 2023, no evaluations of suppliers have been carried out by RGBU in relation to child labor, forced labor or compulsory labor issues. An action plan is being worked on to carry out the evaluation of suppliers through tools such as ECOVADIS. However, the Supplier Code of Conduct expressly prohibits any type of conduct in this regard.
<b>ESRS S2 Workers in the Value Chain</b>				
<b>GRI 3: Material Topics 2021</b>				
3-3	Management of material topics.	5.3 RGBU Corporate Governance Transparency. 7.4 People - Our value chain.	51 83	
<b>GRI 403: Occupational Health and Safety 2018</b>				
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships.	5.2 RGBU Corporate Governance Ethics and Integrity. 7.4 People - Our value chain.	45; 48; 50 83	

GRI	Section	Pages	Direct response or omission (if apply)
<b>GRI 408: Child Labor 2016</b>			
408-1	Operations and suppliers at significant risk for incidents of child labor.	5.2 RGBU Corporate Governance Ethics and Integrity. 7.4 People - Our value chain.	45; 48; 50 83
During 2023, no evaluations of suppliers have been carried out by RGBU in relation to child labor, forced labor or compulsory labor issues. An action plan is being worked on to carry out the evaluation of suppliers through tools such as ECOVADIS. However, the Supplier Code of Conduct expressly prohibits any type of conduct in this regard.			
<b>GRI 409: Forced or Compulsory Labor 2016</b>			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor.	5.2 RGBU Corporate Governance Ethics and Integrity. 7.4 People - Our value chain.	45; 48; 50 83
During 2023, no evaluations of suppliers have been carried out by RGBU in relation to child labor, forced labor or compulsory labor issues. An action plan is being worked on to carry out the evaluation of suppliers through tools such as ECOVADIS. However, the Supplier Code of Conduct expressly prohibits any type of conduct in this regard.			
<b>ESRS S3 Affected Communities</b>			
<b>GRI 3: Material Topics 2021</b>			
3-3	Management of material topics.	7.1 Social - People. 7.2 People - Together towards Change. 7.5 People - Our communities.	73-74 75-77 84-88
<b>GRI 202: Market Presence 2016</b>			
202-2	Proportion of senior management hired from the local community.	7.1 Social - People.	73-74
<b>GRI 203: Indirect Economic Impacts 2016</b>			
203-1	Infrastructure investments and services supported.	7.5 People - Our communities.	84-88
203-2	Significant indirect economic impacts.	7.5 People - Our communities.	84-88
<b>GRI 204: Procurement Practices 2016</b>			
204-1	Proportion of spending on local suppliers.	7.5 People - Our communities.	84-88
<b>GRI 410: Security Practices 2016</b>			
410-1	Security personnel trained in human rights policies or procedures.	7.2 People - Together towards Change.	75-77

GRI		Section	Pages	Direct response or omission (if apply)
<b>GRI 413: Local Communities 2016</b>				
413-1	Operations with local community engagement, impact assessments, and development programs.	7.5 People - Our communities.	84-88	
413-2	Operations with significant actual and potential negative impacts on local communities.	7.5 People - Our communities.	84-88	
<b>ESRS S4 Consumers and End-users</b>				
<b>GRI 3: Material Topics 2021</b>				
3-3	Management of material topics.	5.2 RGBU Corporate Governance Ethics and Integrity.	42-50	
<b>GRI 416: Customer Health and Safety 2016</b>				
416-1	Assessment of the health and safety impacts of product and service categories.	5.2 RGBU Corporate Governance Ethics and Integrity.	42-44	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.	5.2 RGBU Corporate Governance Ethics and Integrity.	50	
<b>GRI 417: Marketing and Labeling 2016</b>				
417-1	Requirements for product and service information and labeling.	5.2 RGBU Corporate Governance Ethics and Integrity.	43-45	
417-2	Incidents of non-compliance concerning product and service information and labeling.	5.2 RGBU Corporate Governance Ethics and Integrity.	50	
417-3	Incidents of non-compliance concerning marketing communications.	5.2 RGBU Corporate Governance Ethics and Integrity.	50	
<b>GRI 418: Customer Privacy 2016</b>				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data.	5.2 RGBU Corporate Governance Ethics and Integrity.	50	
<b>ESRS G1 Business conduct</b>				
<b>GRI 3: Material Topics 2021</b>				
3-3	Management of material topics.	3.4 RGBU in the world - Main figures & financial excellence. 4.1 Sparking Truth - ESG for transforming society through the power of chemistry 5.1 RGBU Corporate Governance System. 5.2 RGBU Corporate Governance Ethics and Integrity.	21-23 27-32  37-41 42-50	



GRI	Section	Pages	Direct response or omission (if apply)
<b>GRI 201: Economic Performance 2016</b>			
201-1	Direct economic value generated and distributed.	3.4 RGBU in the world - Main figures & financial excellence.	23
201-3	Defined benefit plan obligations and other retirement plans.	7.1 Social - People.	72-77
201-4	Financial assistance received from government.	3.4 RGBU in the world - Main figures & financial excellence.	23
<b>GRI 205: anti-corruption 2016</b>			
205-1	Operations evaluated based on risks related to corruption.	5.2 RGBU Corporate Governance Ethics and Integrity.	48-50
205-2	Communication and training on anti-corruption policies and procedures.	5.2 RGBU Corporate Governance Ethics and Integrity.	48-50
205-3	Confirmed incidents of corruption and actions taken.	5.2 RGBU Corporate Governance Ethics and Integrity.	48-50
<b>GRI 206: Anti-competitive Behavior 2016</b>			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices.	5.2 RGBU Corporate Governance Ethics and Integrity.	48-50
<b>GRI 207: Tax 2019</b>			
207-1	Tax approach.	3.4 RGBU in the world - Main figures & financial excellence.	23
207-2	Fiscal governance, control and risk management.	3.4 RGBU in the world - Main figures & financial excellence. 5.1 RGBU Corporate Governance System. 5.2 RGBU Corporate Governance Ethics and Integrity.	23 37-41 48
207-3	Participation of interest groups and management of their concerns in tax matters.	3.4 RGBU in the world - Main figures & financial excellence. 4.1 Sparking Truth - ESG for transforming society through the power of chemistry. 5.1 RGBU Corporate Governance System. 5.2 RGBU Corporate Governance Ethics and Integrity.	24 27-32 37-41 48
207-4	Country-by-country Tax reporting.	3.4 RGBU in the world - Main figures & financial excellence.	23
<b>GRI 308: Supplier Environmental Assessment 2016</b>			
308-1	New suppliers that were screened using environmental criteria.	-	-
			During 2023, no evaluations of suppliers have been carried out by RGBU in relation to environmental issues. An action plan is being worked on to carry out the evaluation of suppliers through tools such as ECOVADIS.
308-2	Negative environmental impacts in the supply chain and actions taken.	-	-
			During 2023, no evaluations of suppliers have been carried out by RGBU in relation to environmental issues. An action plan is being worked on to carry out the evaluation of suppliers through tools such as ECOVADIS.

GRI		Section	Pages	Direct response or omission (If apply)
GRI 414: Supplier Social Assessment 2016				
414-1	New suppliers that were screened using social criteria.	-	-	During 2023, no evaluations of suppliers have been carried out by RGBU in relation to social issues. An action plan is being worked on to carry out the evaluation of suppliers through tools such as ECOVADIS.
414-2	Negative social impacts in the supply chain and actions taken.	-	-	During 2023, no evaluations of suppliers have been carried out by RGBU in relation to social issues. An action plan is being worked on to carry out the evaluation of suppliers through tools such as ECOVADIS.
GRI 415: Public Policy 2016				
415-1	Political contributions.	3.4 RGBU in the world - Main figures & financial excellence.	23	

