

## Water Resources Conservation

### Policy and Basic Approach

#### Environmental Policy

Our Group has established the Environmental Policy as a policy related to environmental issues pertaining to our Group (including conservation of water resources). Our Group's Environmental Policy is described on the following page.

[Environmental Management](#)

### Systems (Governance)

The systems for supervision and management of environmental issues pertaining to our Group (including conservation of water resources) are described on the following page.

[Environmental Management](#)

### Risk Management

The identification, assessment, and management of risks and opportunities related to environmental issues pertaining to our Group (including conservation of water resources) are carried out in accordance with the risk management structure and risk management processes described on the following page.

[Risk Management](#)

#### Assessment of water-related risk in FY2024

We continuously assess water risks in the regional watersheds where our domestic and overseas group sites are located, and are disclosing the assessment results for 18 domestic and 27 overseas sites.

For the assessment of water risks, we perform a comprehensive analysis that takes the water usage conditions at each site into account by using WRI Aqueduct\* combined with a survey unique to our Company.

This analysis reflects the water consumption factor based on the scale of operations at each business site to more accurately clarify the water risks by region.

In terms of our overseas business sites, although there are few sites overall with high water consumption rates, we have seen regional increases in water risk in the Southeast Asia and China areas, and these require continued attention.

Moving forward, our Company continues to assess these risks and promote initiatives for conservation of water resources.

\* A tool for visualizing and assessing water risks published by the World Resources Institute (WRI).

#### Assessment of Water-Related Risks

Region		Overall water risk level					Total
		Extremely high	High	Medium to High	Low to Medium	Low	
Japan	Number of bases			1	4	13	18
	Water consumption (thousand m <sup>3</sup> )			368	3,181	433	3,983
China (including Taiwan)	Number of bases		2	2	2	1	7
	Water consumption (thousand m <sup>3</sup> )		94	123	56	33	307
Southeast Asia	Number of bases		4		1	2	7
	Water consumption (thousand m <sup>3</sup> )		374		47	20	441
North America	Number of bases					10	10
	Water consumption (thousand m <sup>3</sup> )					381	381
Europe	Number of bases				3		3
	Water consumption (thousand m <sup>3</sup> )				99		99

## Metrics and Targets

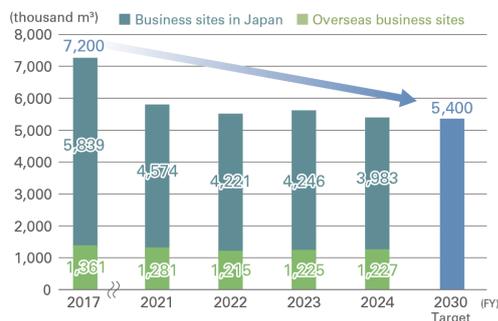
### Conservation of water resources

Our Group has set a target of reducing water usage in manufacturing activities by 25% by 2030 compared to FY2017, and continues to work on reduction activities.

In particular, at the Shizuoka Plant which accounted for around 60% of the water usage of the entire Group in FY2017, we have revised the water management methods and are actively pursuing initiatives to thoroughly reduce waste.

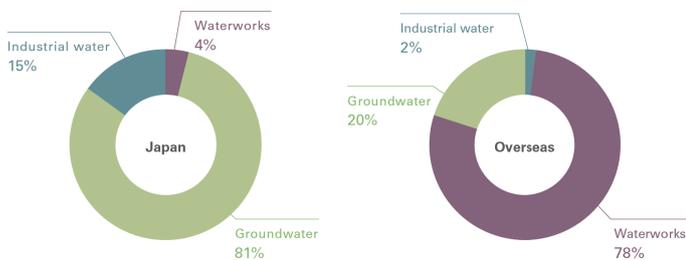
As a result, reductions are proceeding at a much better pace than originally planned.

#### Water Usage Volume



\* The scope of aggregation covers Sumitomo Bakelite Co., Ltd. and its consolidated subsidiaries.

#### Water Usage by Source in FY2024



## Key Initiatives

At our European and Chinese business sites in recent years, we have been working on initiatives for reusing water as industrial water by purification and treatment using a system that combines biological treatment (purification by microorganisms) and separation technology (separation such as by microfiltration membrane) of chemical wastewater emitted from plants. As a result, the amount of utility water used has been reduced by at least 50% at these business sites.

Moving forward, we are promoting activities aiming for both manufacturing activities and reduction of water usage for sustainable use of water resources.