



Kurita Water Industries Ltd.

2nd ESG Briefing

(Securities code: 6370)

March 11, 2022

Table of Contents

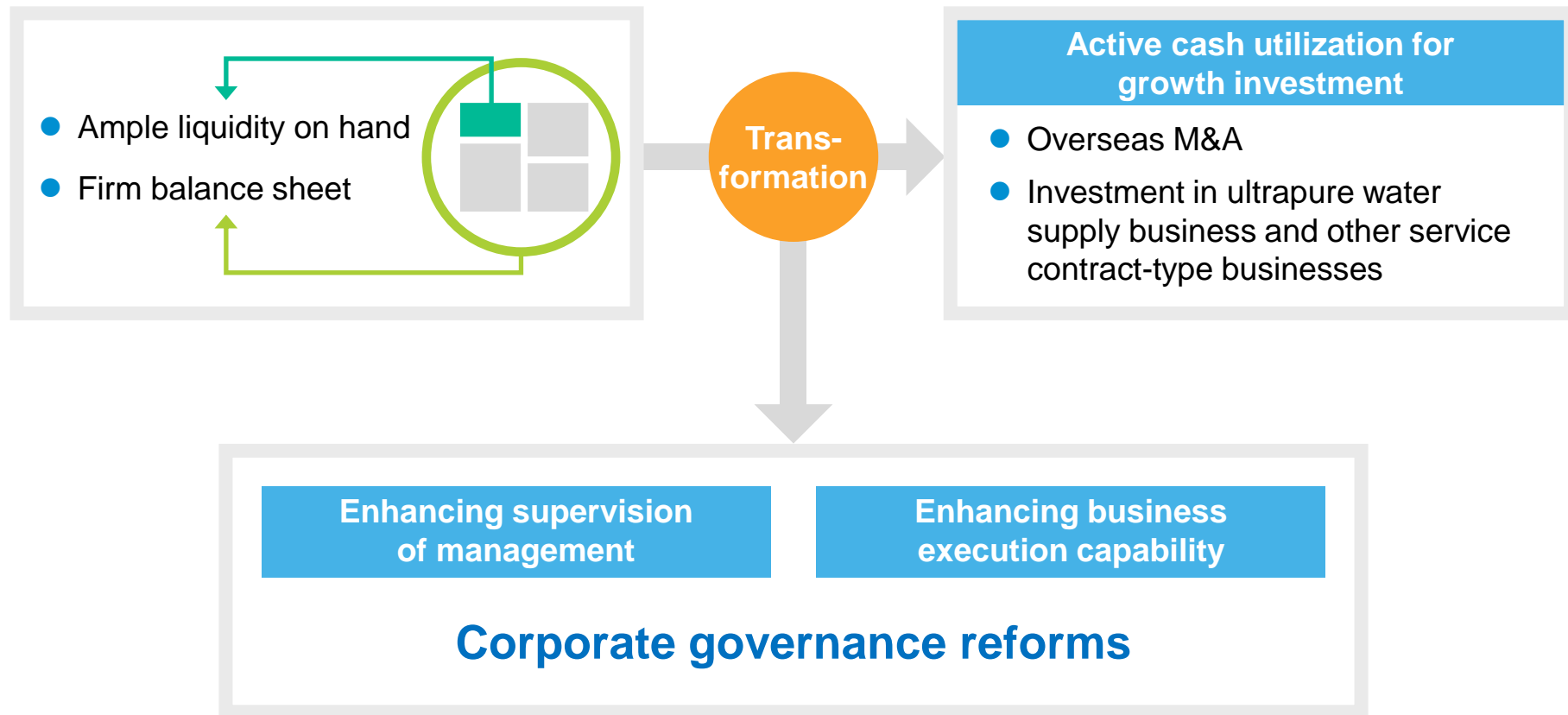
- 1** | Kurita's Corporate Governance Reforms p 1-6
- 2** | Human Resource Strategy for Value Creation p 7-15
- 3** | Creating Shared Value with Society p 16-24

1 | Kurita's Corporate Governance Reforms

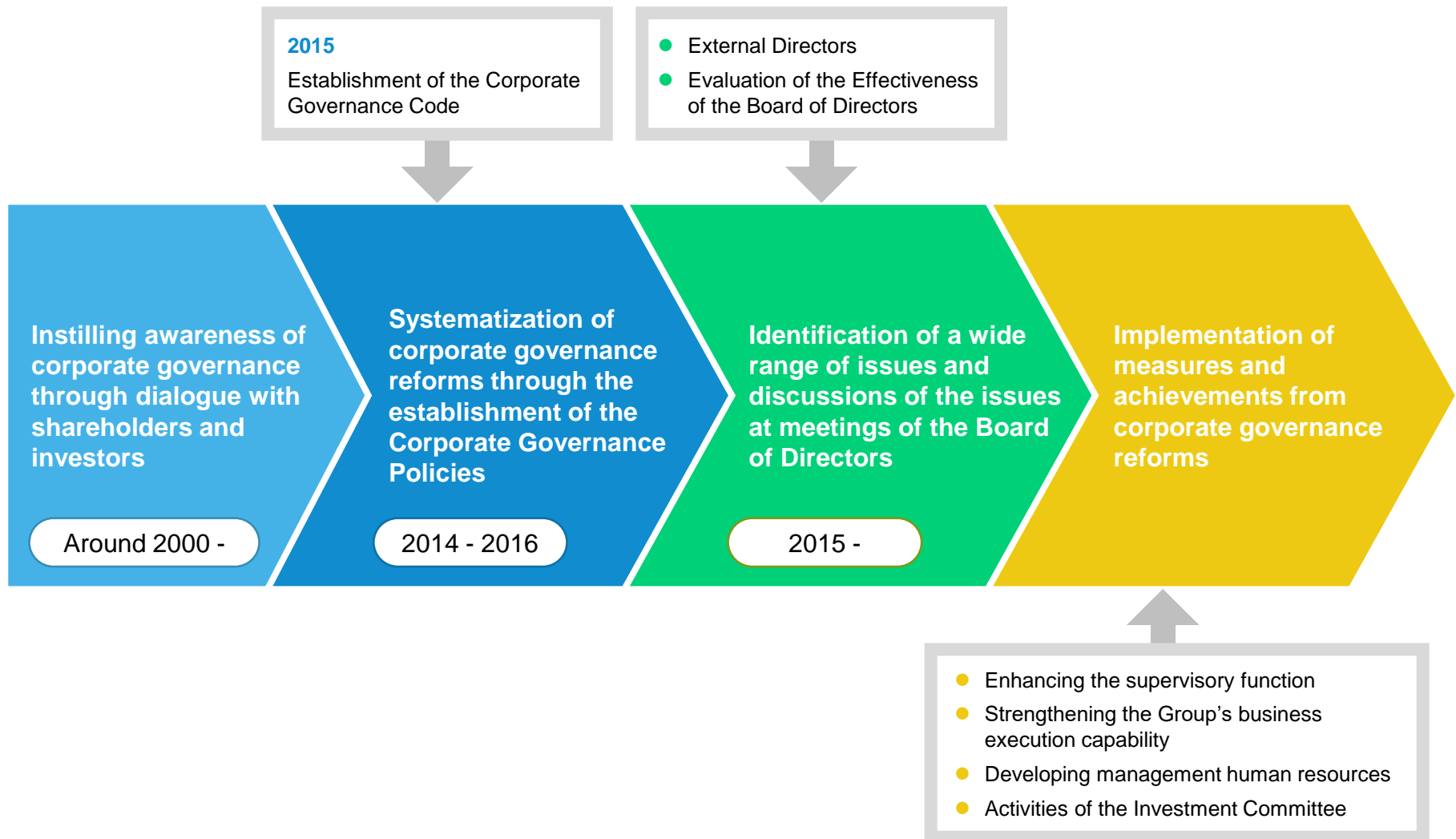
President and Representative Director

Michiya Kadota

What are needed to take risks proactively and decisively



Systematization and implementation of measures based on policies



Reinforcing the supervisory function of the Board of Directors and the executive officer system

	FY ended 03/2015	FY ending 03/2022
Internal Directors	9 people	5 people
External Directors	1 person	3 people
Executive Officers	9 people	12 people

Authorities and responsibilities of executive officers

(From FY ended 03/2019)

Top-level executives

who implement business execution under the supervision of the Board of Directors

1-year

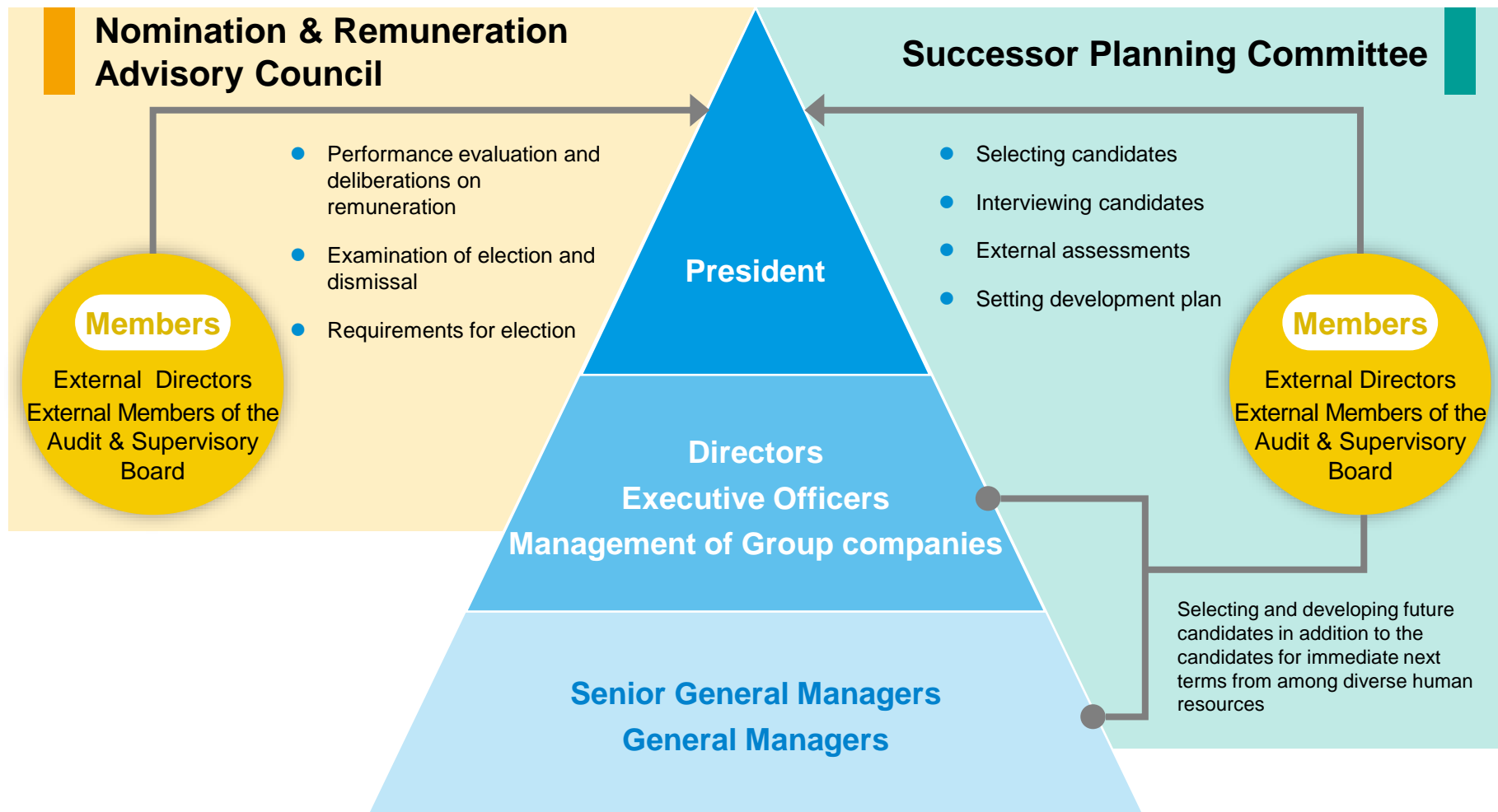
Appointment

Performance-linked remuneration

similar to that for directors

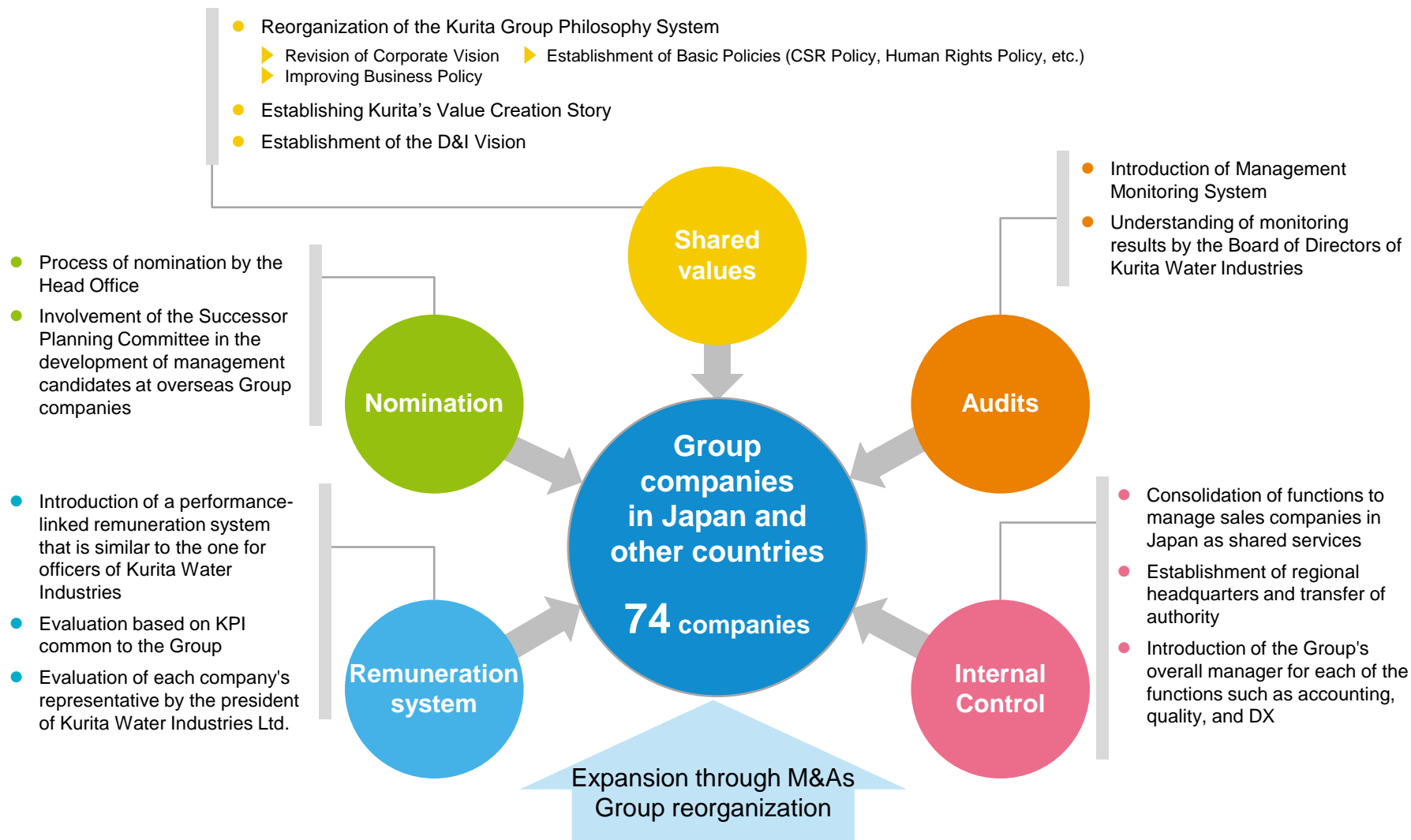
Evaluated by the **Nomination & Remuneration Advisory Council**

Creation of a system for producing human resources on a long-term basis

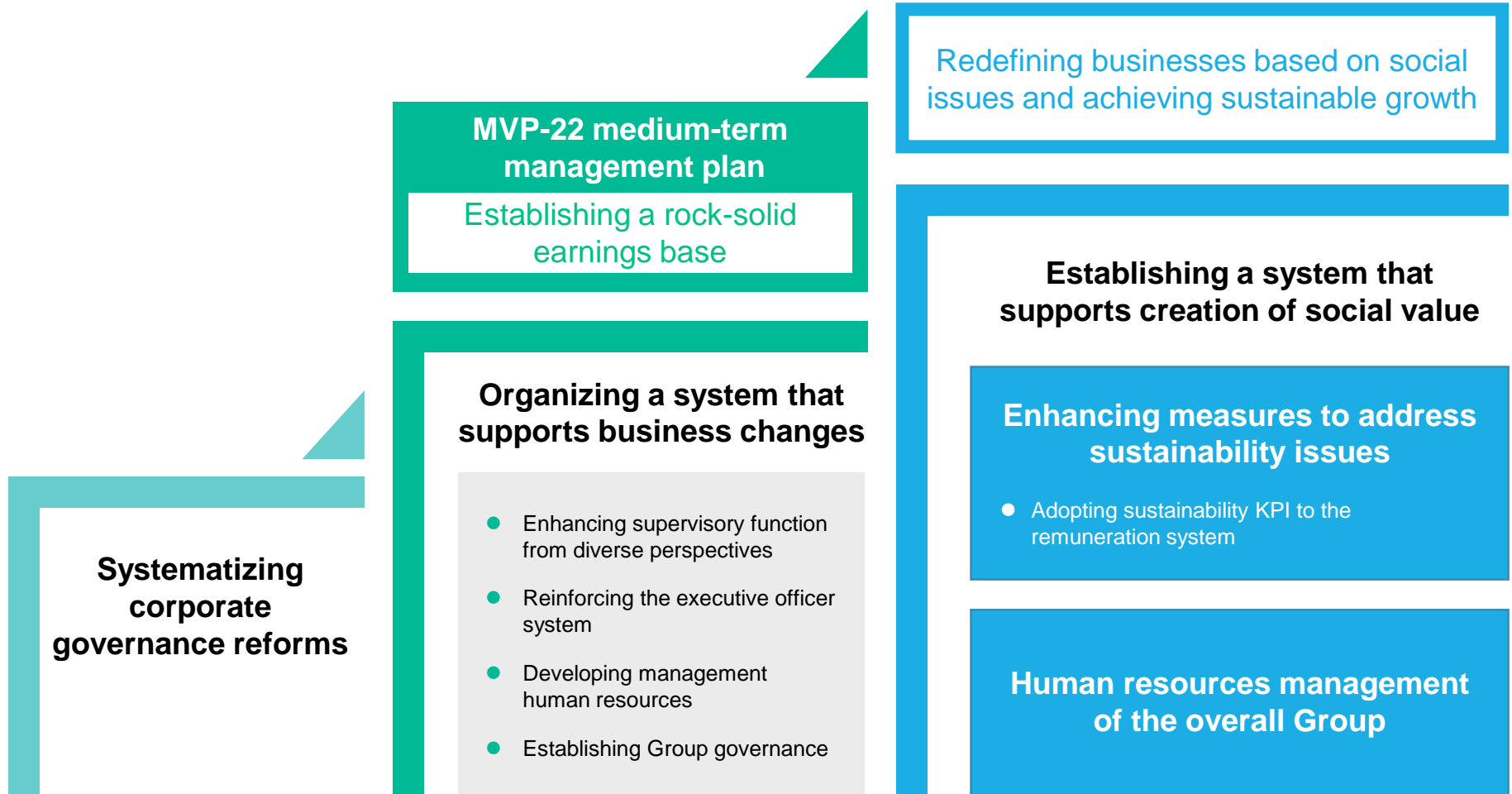


Note: The president is included among the members of the Nomination & Remuneration Advisory Council when nomination of and remuneration for personnel other than the president are discussed. The president and executive senior managing director are included among the members of the Successor Planning Committee for personnel other than the president are discussed.

Enhancement of the Group's business execution capability in the aspect of governance



Implementing governance reforms that support the creation of shared value with society



2 | Human Resource Strategy for Value Creation

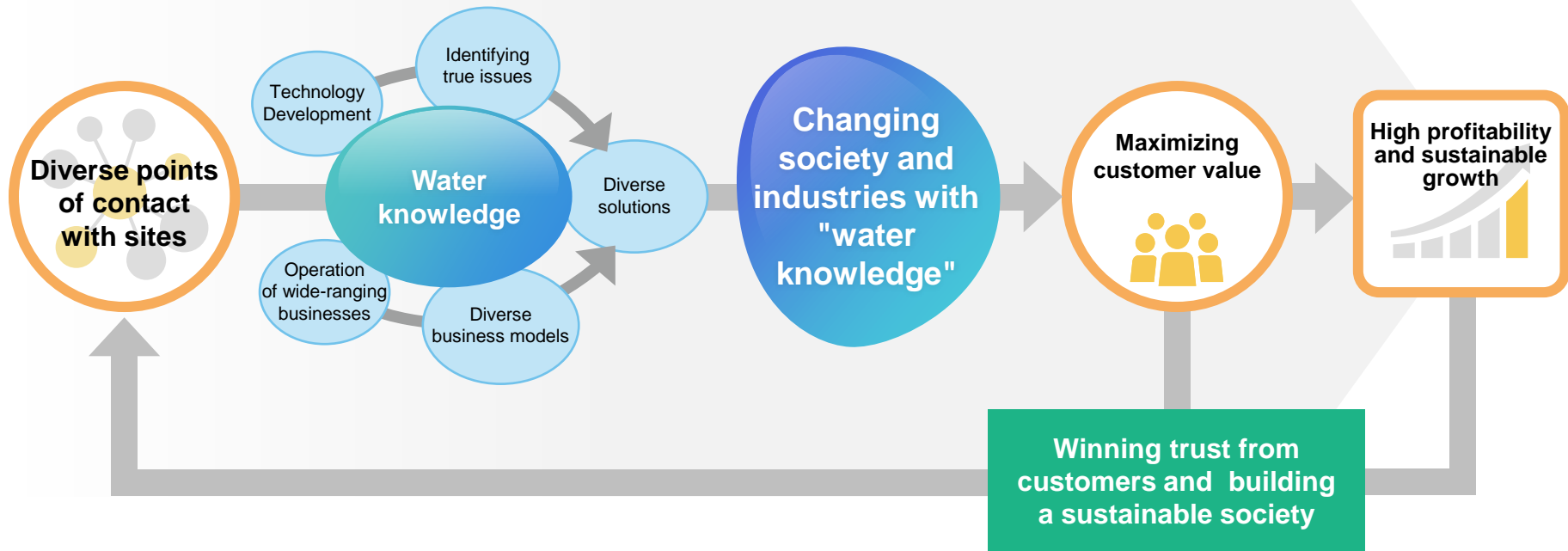
Corporate Planning and Management Office,
Diversity and Engagement Department
General Manager

Mitsuhiro Kokura



Human resources are the driving force supporting the value creation story.

Study the properties of water, master them, and we will create an environment in which nature and man are in harmony.



D&I Vision: Situation of the human resources and the organization under the Corporate Vision

Corporate Philosophy

Purpose

Value Creation Story

Corporate Vision

"A Creator of unique value to the solution of water and environment," contributing to the realization of a sustainable society

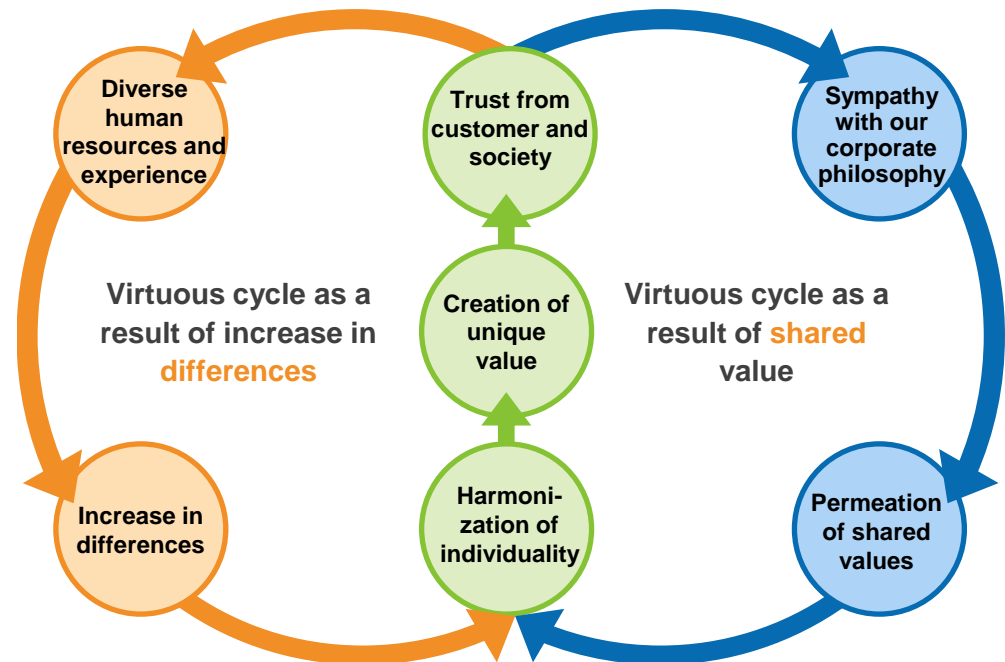
D&I Vision

At present

Situation of the human resources and the organization under the Corporate Vision

D&I Vision

The corporate group that continues to create unique value through interaction among diverse people who care about water and the environment and who accept each other's differences.



Determining directions based on business strategy and environmental changes

Human resources policy

A group of professionals in a range of fields who obtain joy from their contributions to customers, society and the global environment through their work at the Kurita Group with their commitment to creating new value

Direction of the organization

Organizational culture

- Transformation into a group with a high level of engagement where D&I has permeated

Organizational Structure

- The Group headquarters oversees development, technology, and other functions to improve the level of operations.
- Active participation of locally recruited employees in countries other than Japan

Direction of human resources utilization

Utilizing and securing human resources

- Continuous enhancement of active participation of human resources in technological fields that support Kurita
- Creation of new value by digital specialists who drive DX

Personnel system

- Developing a human resources system where the Group will have two strengths: cooperation among human resources and the active participation of individuals who possess a high degree of expertise

Changes in the external environment

- Changes in the ideas about Japanese-style employment, such as the order of seniority and permanent employment
- Diversification of work styles
- Development of digital technologies and growth in demand for digital specialists

Changes in the internal environment

	Expanding overseas businesses through M&A	
	FY ended 03/2014	FY ended 03/2021
Ratio of overseas net sales	Approx. 20%	▶ Approx. 40%
Ratio of overseas employees	Approx. 20%	▶ Approx. 50%

Value Creation Story

Driving behavior changes by permeating D&I

Steps of initiatives



Training and workshops for management-level employees

- Participation of 256 management-level employees of Kurita
- Promoting understanding of D&I and unconscious bias and eliminating boundaries between organizations through discussion between management-level employees as a way of practicing behavioral changes, thus driving the creation of conditions which facilitate collaboration

Workplace discussion

- Held at 212 sections of Kurita
- Relationship between D&I and operational innovations was discussed under the theme of workplace innovation to understand the current status of D&I at each section.

Internal PR in the Group

- Distribution of video messages on D&I from executive general managers of divisions



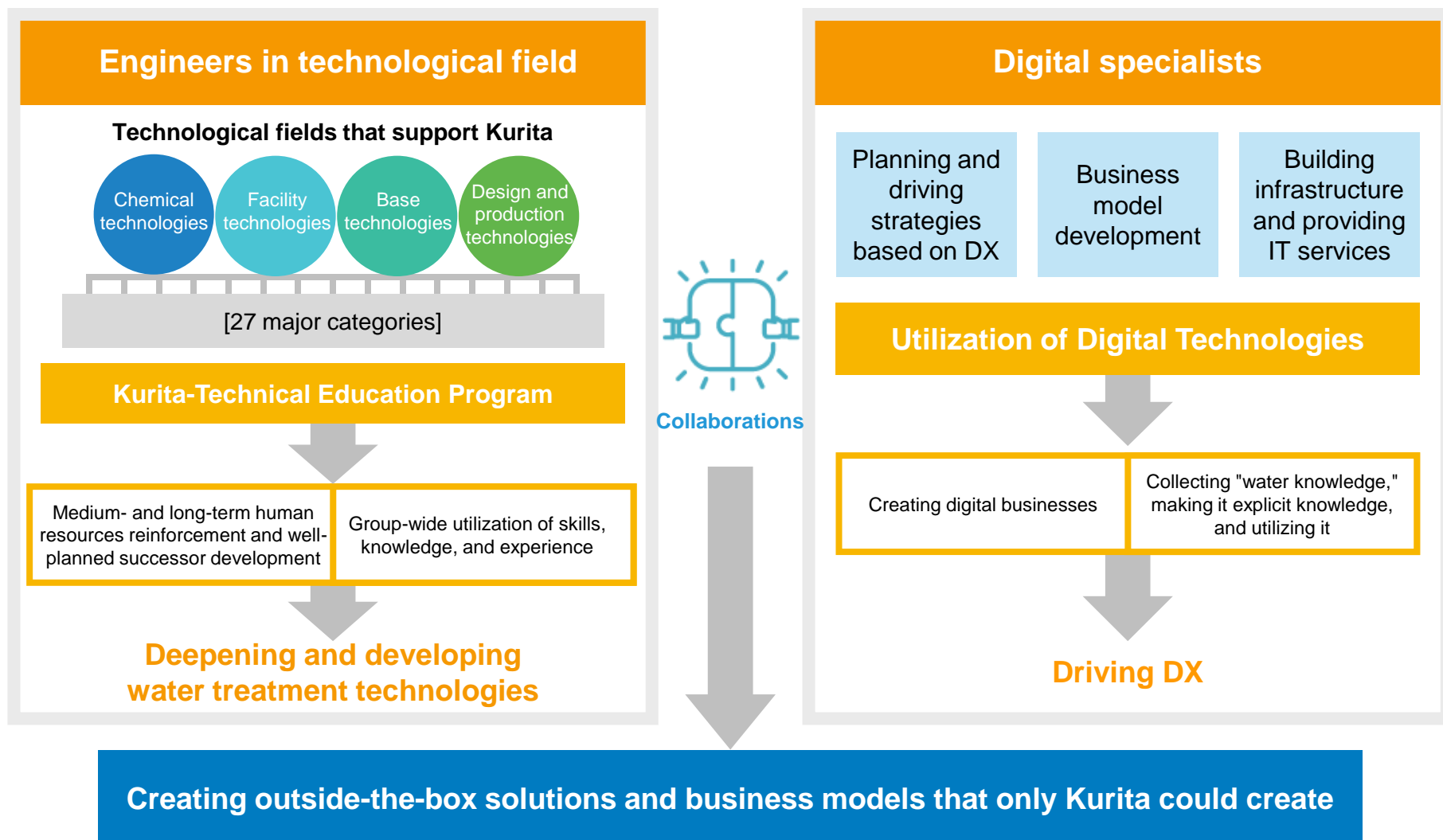
- Introduction of the D&I Vision, human resource strategy, etc.



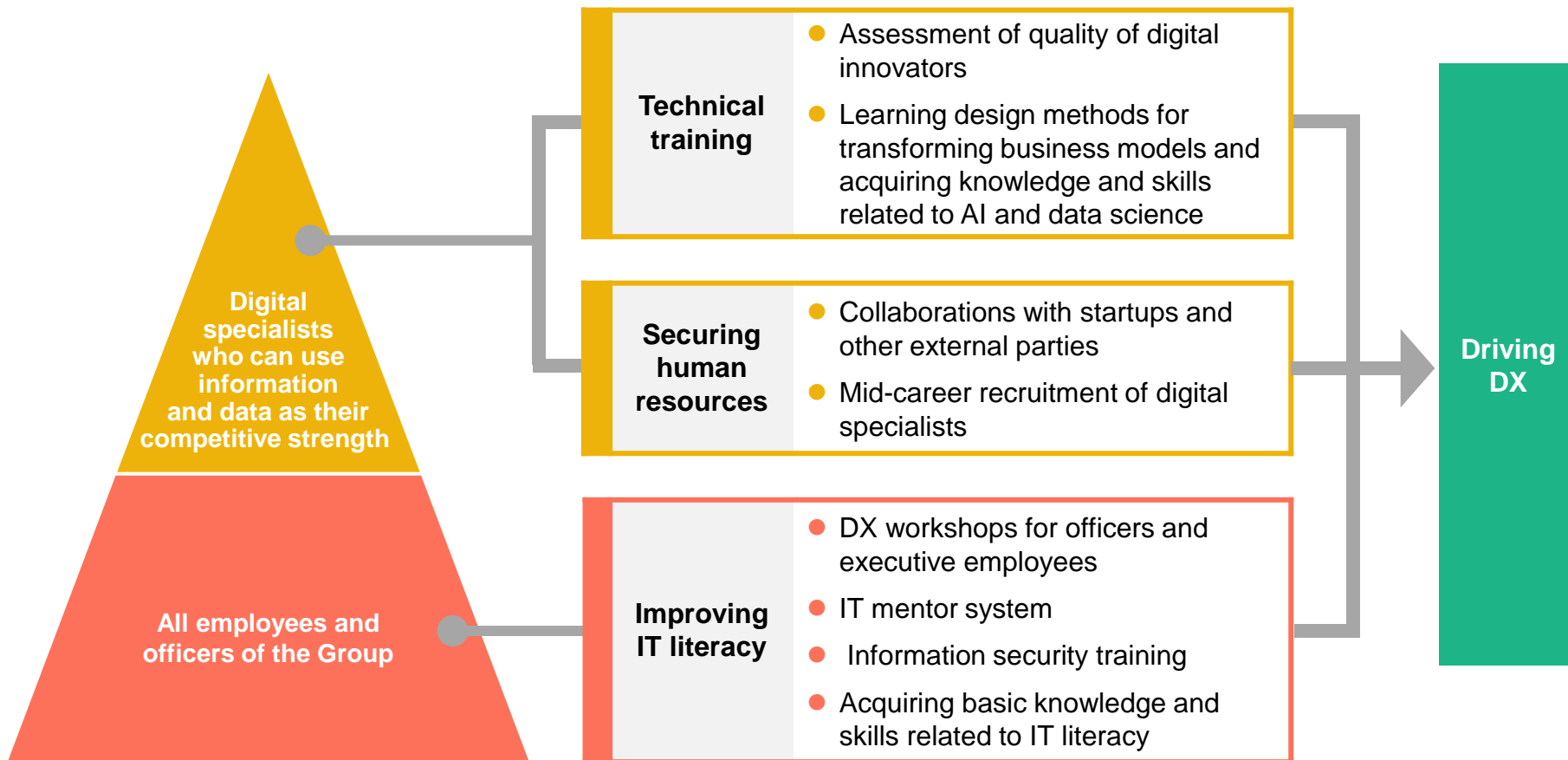
Connection between people that creates unprecedented value

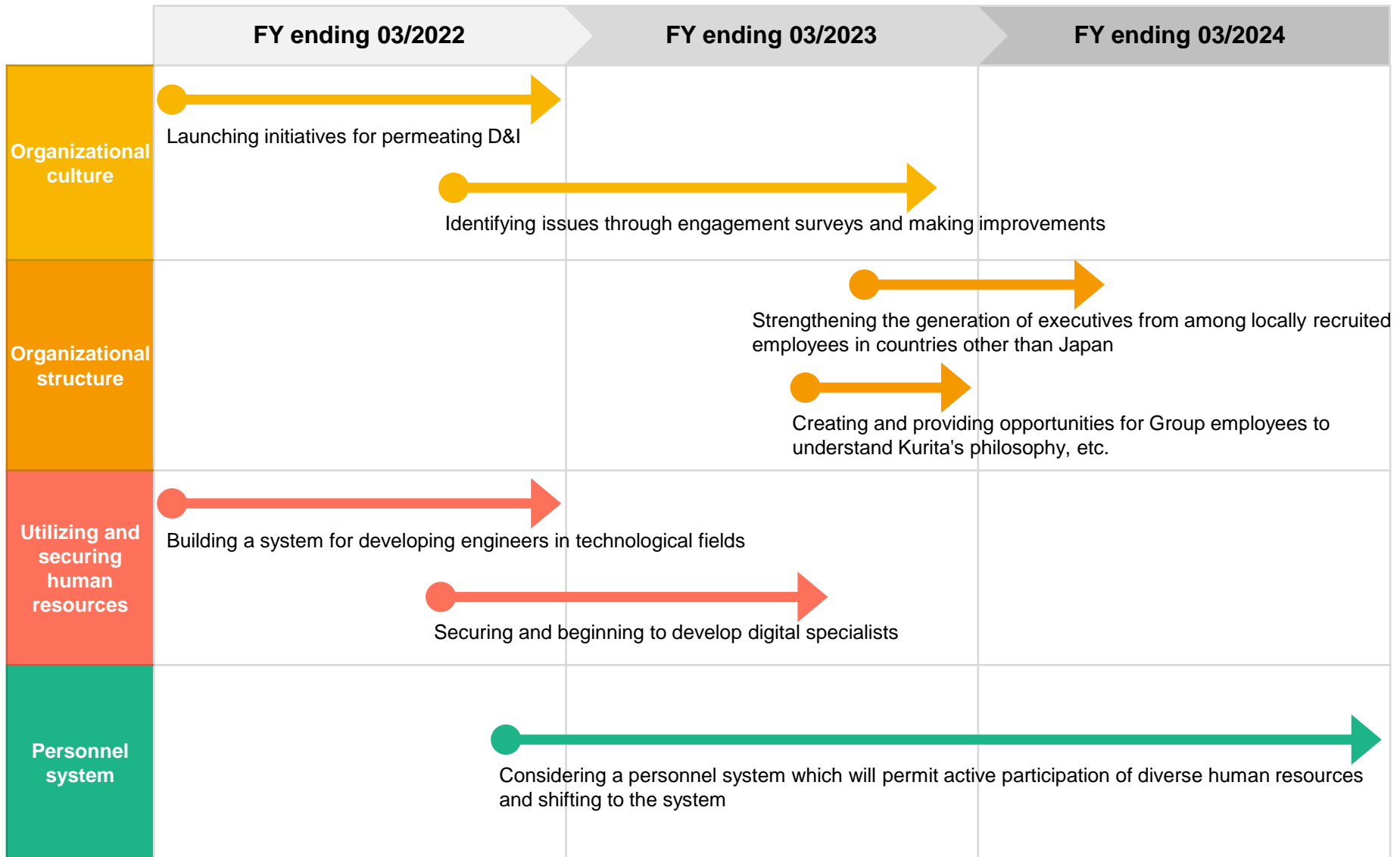


Strengthening development of human resources who drive value creation

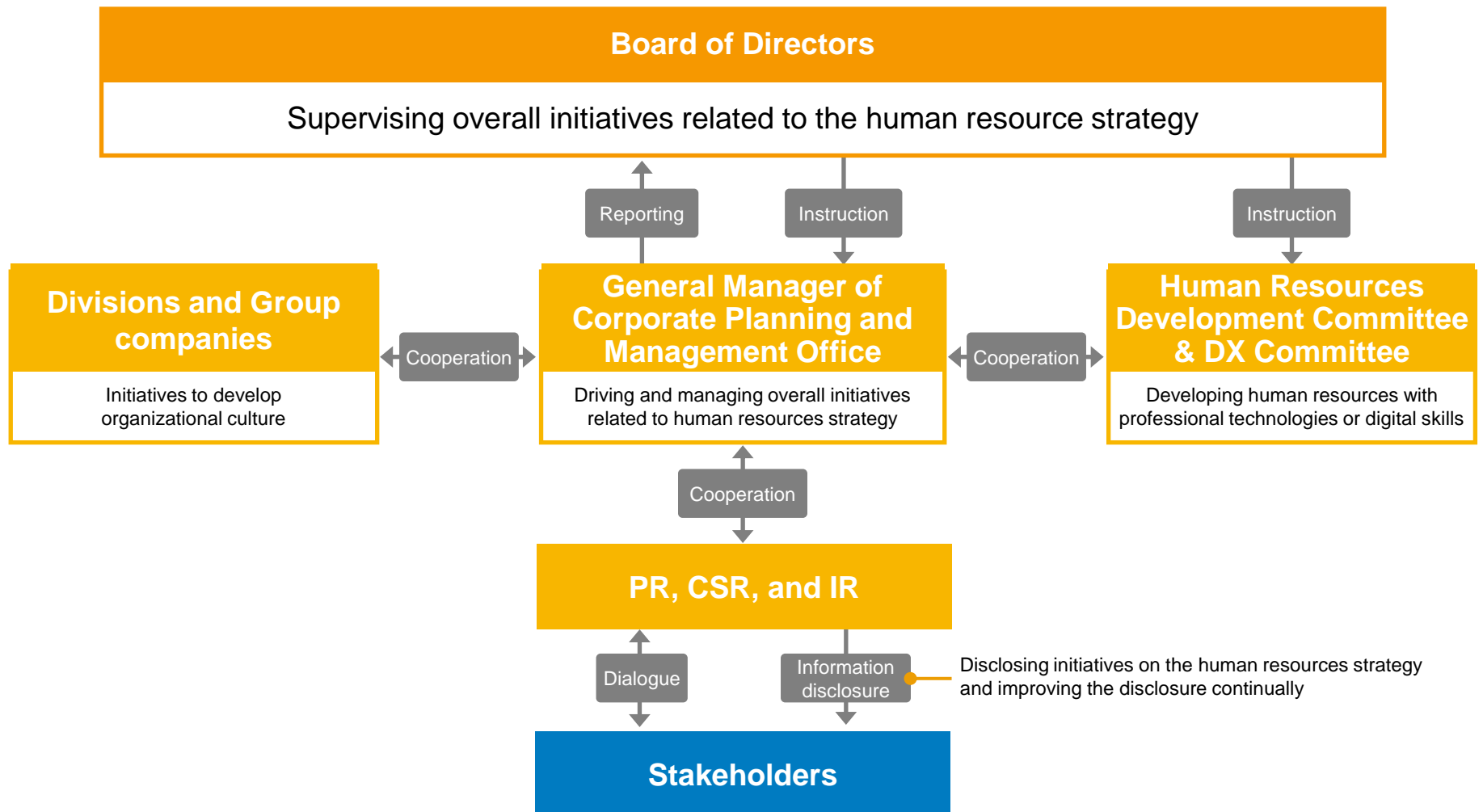


Creating businesses which combine diverse points of contact with sites and digital technologies





Promotion system to which the Board of Directors is committed

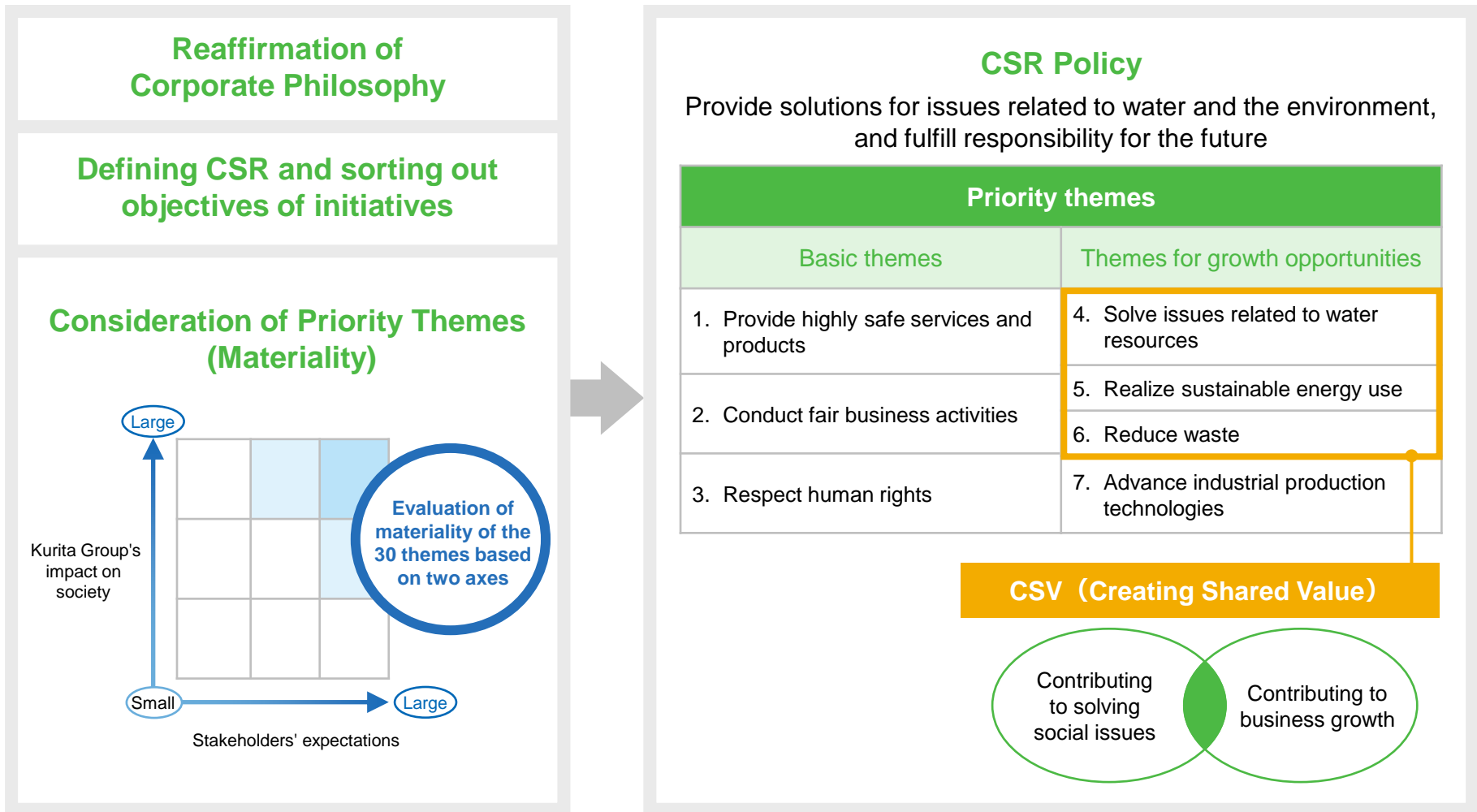


3 | Creating Shared Value with Society




Corporate Control and Administration Division,
CSR and Investor Relations Department
General Manager

Kosuke Arai

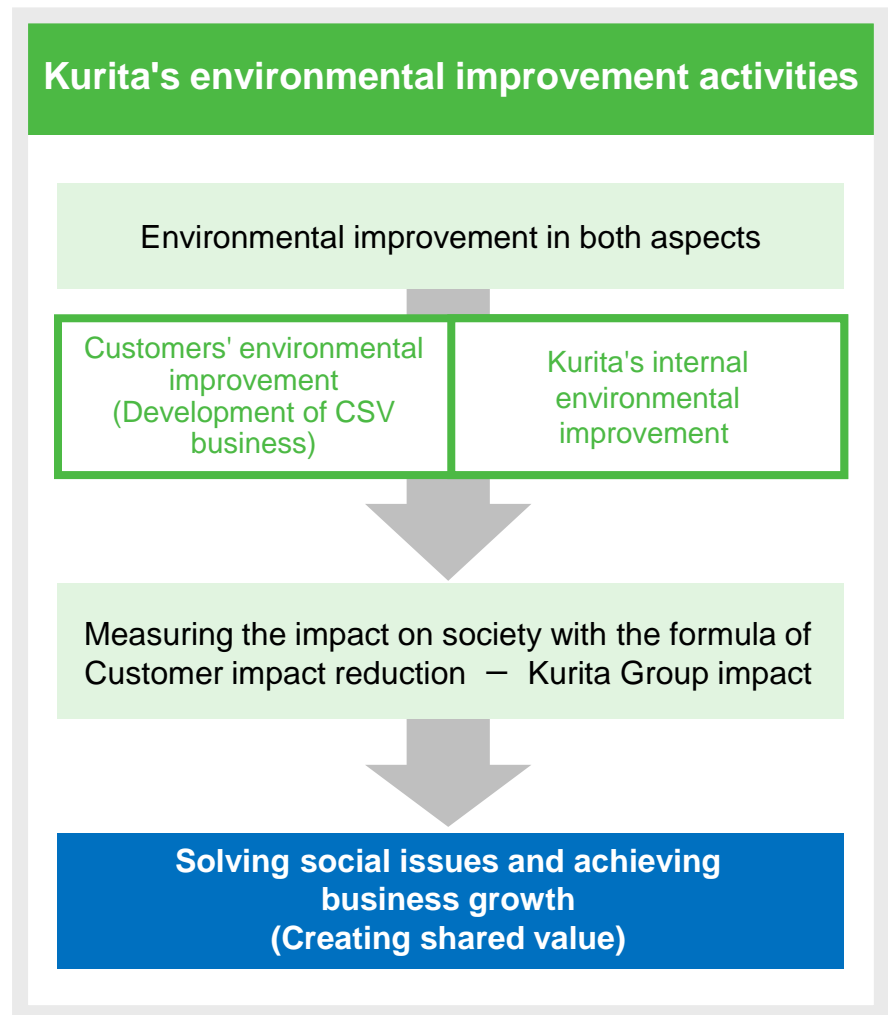
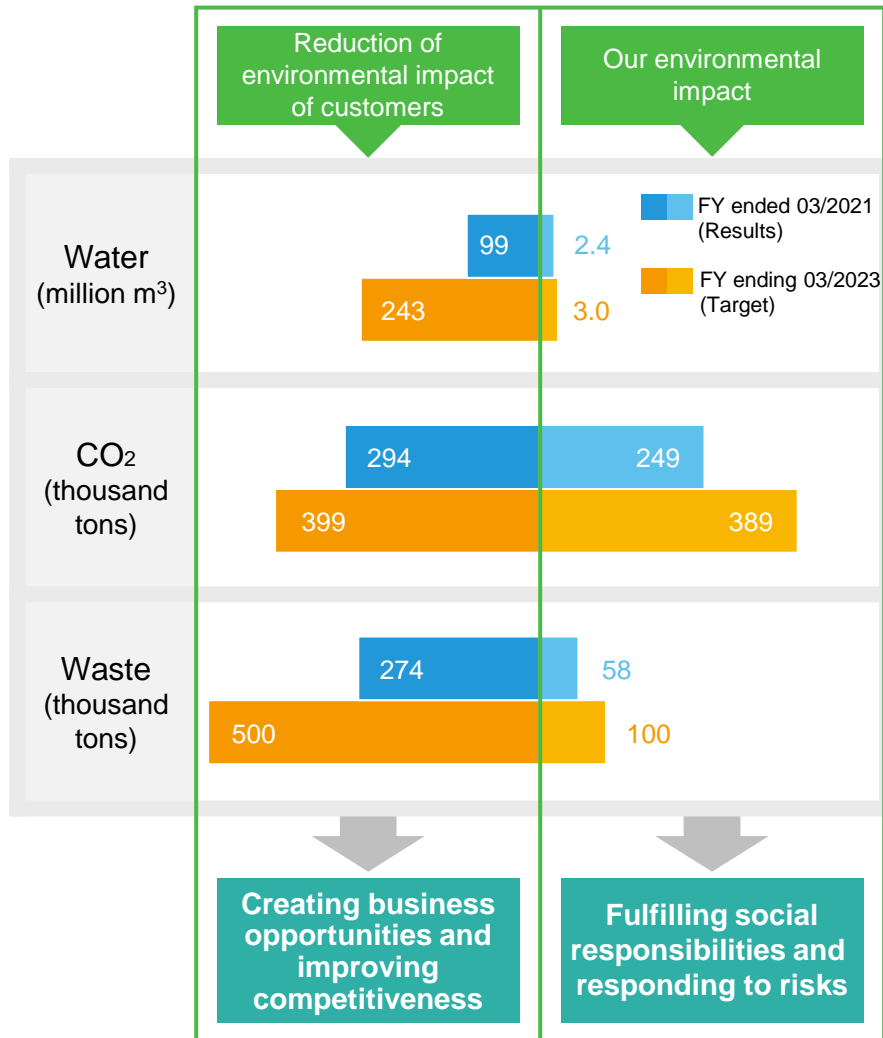
Defense (improving risk response capabilities) and offense (improving business competitiveness through CSV)



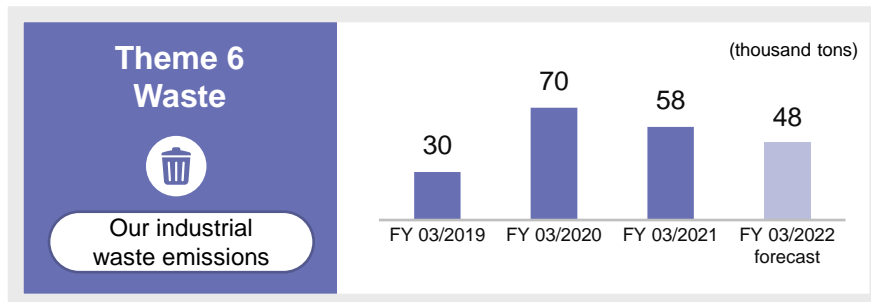
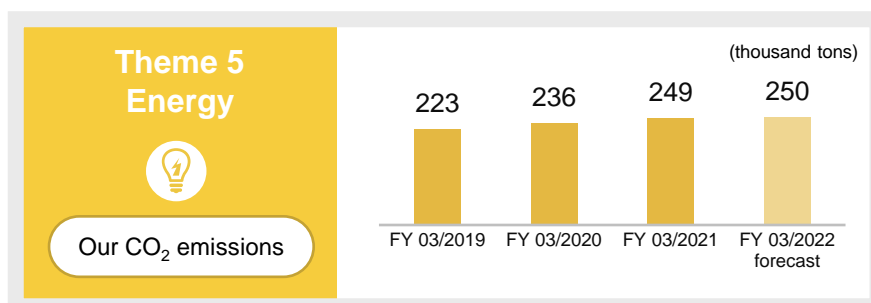
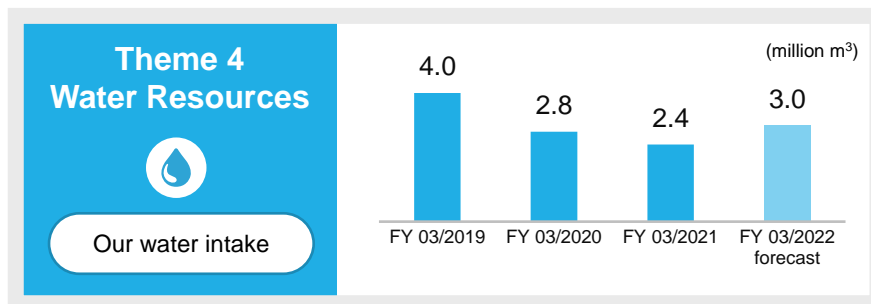
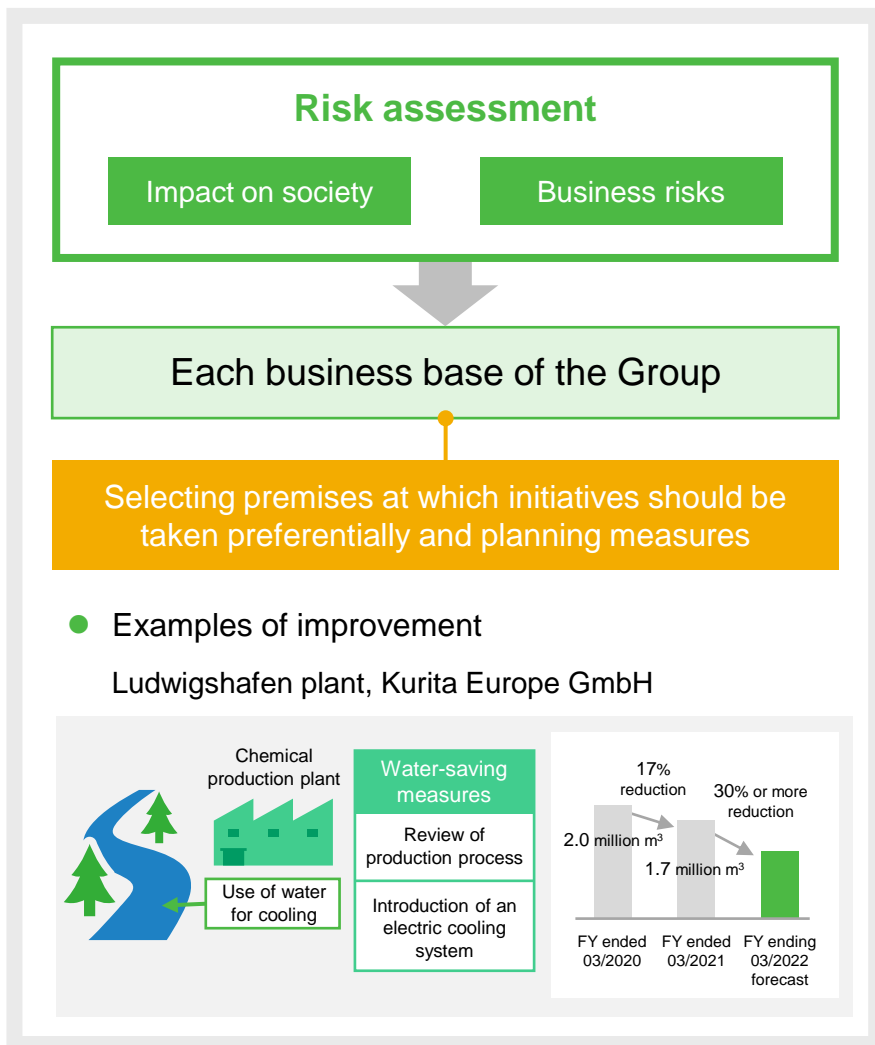
Initiatives reflecting characteristics of Kurita's businesses and social demand

Theme	Metrics	Category	
Theme 4 	Solve issues related to water resources	Water savings at customers – Amount of the water intake used in our business activities	Characteristics of Kurita's businesses
		Number of people that can benefit from improvement in water resources	Global initiative
Theme 5 	Realize sustainable energy use	CO ₂ emissions reduction at customers – CO ₂ emissions from our business activities	Characteristics of Kurita's businesses
		Reduction of Scope 1 and 2 emissions	Social demand
		Reduction of Scope 3 emissions	Social demand
Theme 6 	Reduce waste	Waste reduction at customers – Waste generated from our business activities	Characteristics of Kurita's businesses

Reducing environmental impact of both customers and Kurita



Fulfilling social responsibilities and reducing business risks



* The above data are based on our approach in 2018, when we set the targets, and therefore differ from data on "water intake" under the GRI Standards and ESG data we aggregate and accumulate based on the GHG Protocol.

Creating business opportunities and improving competitiveness

CSV (Creating Shared Value) businesses

Products, technologies, and business models that contribute to saving water and reducing CO₂ emissions and waste more greatly than conventional ones

(FY ended 03/2021: 48 types in total)

Selection standards

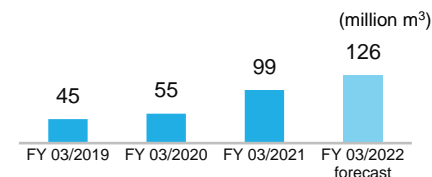
- Must** Superiority to conventional/competing technologies
- Must** Applying new or existing technologies in new markets
- Must** Contributing to SDGs action plan
 - Contributing to reducing Scope 3 emissions by the Kurita Group (new addition)

KPI

- Reduction of environmental impact
- Orders
- Business Profit Margin

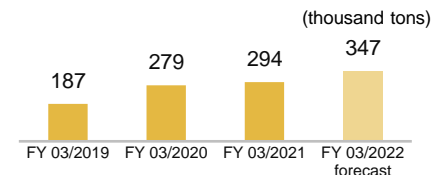
Theme 4 Water resources

- CORR system
- Reverse osmosis membrane treatment chemicals, etc.



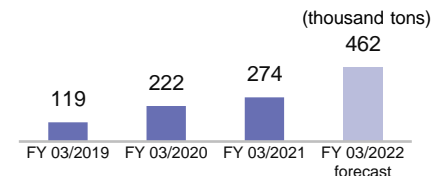
Theme 5 Energy

- Kurita Dropwise Technology
- Water treatment system using IoT etc.,

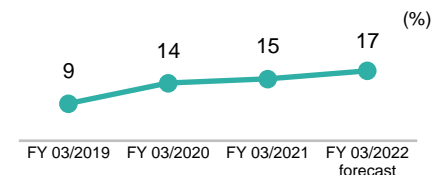


Theme 6 Waste

- Wastewater treatment 3S solution using coagulation sensor
- Reducing the volume of wastewater sludge, recycling it into resources, etc.



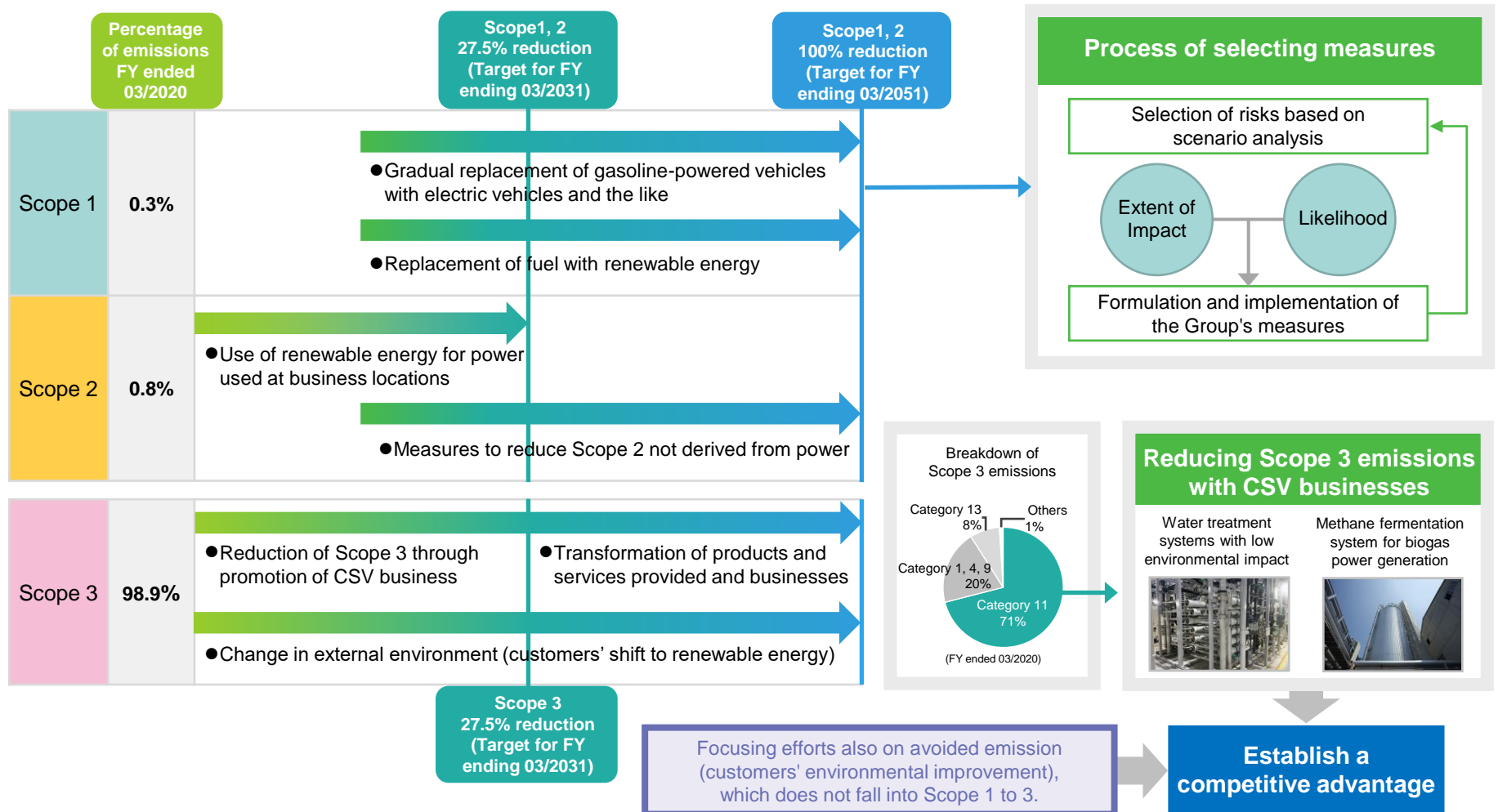
CSV business orders Ratio to net sales



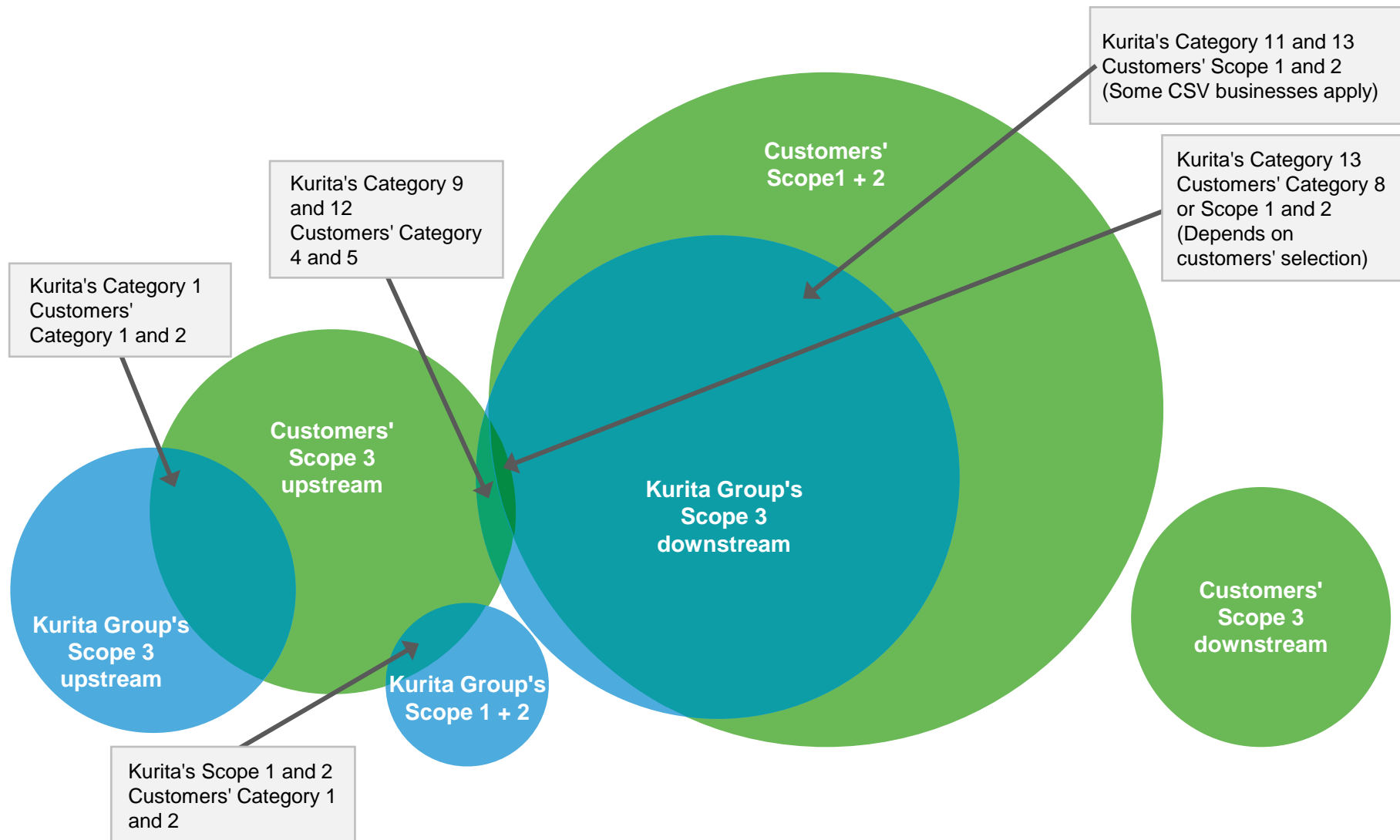
- Selecting and developing CSV businesses to focus our efforts on each region/market

- Using environmental value for performance evaluation

Setting targets aligned with the Well Below 2°C indicated by SBTi



Relationship of Scope 1, 2, and 3 emissions by Kurita and customers



Note: The size of the circle illustrates the amount of emissions by the Kurita Group/customers. Given the characteristics of products and services, Scope 1 to 3 of the Kurita Group and those of customers differ in position. The relationship is indicated based on general ideas estimated at present.

Participating in industry-driven initiatives as a leadership committee member

Water Resilience Coalition

2050 Vision

Global water resilience

Creating a world in which water can be consistently supplied to the required place, in the required quantity, and at the required quality.

Our Pledge



Improve water availability, quality and accessibility in basins facing serious water resource problems



Raise the global ambition of water resilience through public and corporate outreach



Implement measures to resolve water resource problems across the entire value chain

United Nations Global Compact



The CEO Water Mandate



Water Resilience Coalition



Leadership committee members (11 companies)

- Anheuser-Busch InBev
- Diageo
- PVH
- Gap
- Microsoft
- Cargill
- Dow
- Ecolab
- STARBUCKS
- 3M
- Kurita



Members (15 companies)

- The Coca-Cola Company
- Woolworths
- Cummins
- Levi Strauss & Co.
- IHG Hotels & Resorts
- Danone
- Colgate
- HEINEKEN
- gsk
- PhosAgro
- DUPONT
- MARS
- Reckitt Benckiser
- BAYER
- Braskem

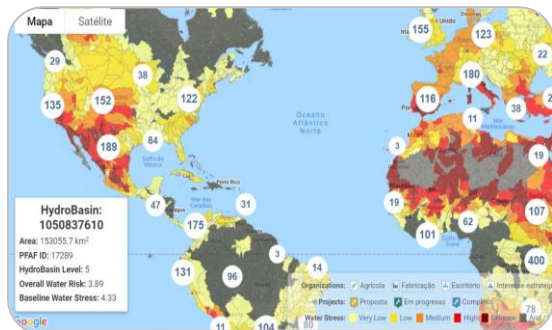
(As of March 2022)

Applying "water knowledge" and acquiring new knowledge

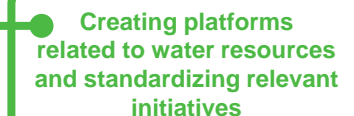
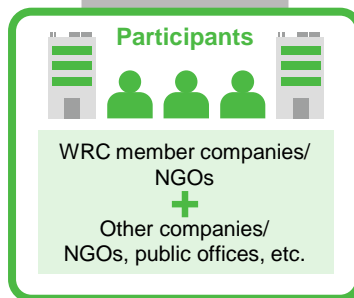


Global water resilience

- Participation in the formulation of indices for measuring achievements from basin activities and reporting the format
- Enhancement of functions of the Water Action Hub, a comprehensive platform related to water



Spreading rules and driving information disclosure



Launch of basin activities aimed at solving water resource issues in North America

Basin

Colorado River
(Seven states in the United States)

Method

Considering collective initiatives that take advantage of Kurita's solutions



Implementing activities and increasing basins where activities are implemented



Forward-looking Statements

This presentation contains forward-looking statements, business plan projections, and judgments based on information available to management at the time of writing. Due to the existence of a variety of risk factors and uncertainties, actual results may differ from those specified or implied by these forward-looking statements and projections.

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