



Kurita Water Industries Ltd.

1st

ESG Briefing

Creation of Shared Value with Society at Kurita

(Securities code: 6370)

1 Philosophy of Value Creation at Kurita	p 1 - 7
2 Building Systems for Value Creation	p 8 -24

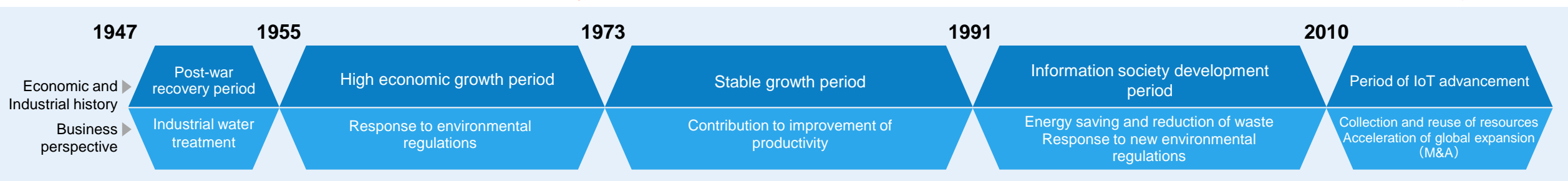
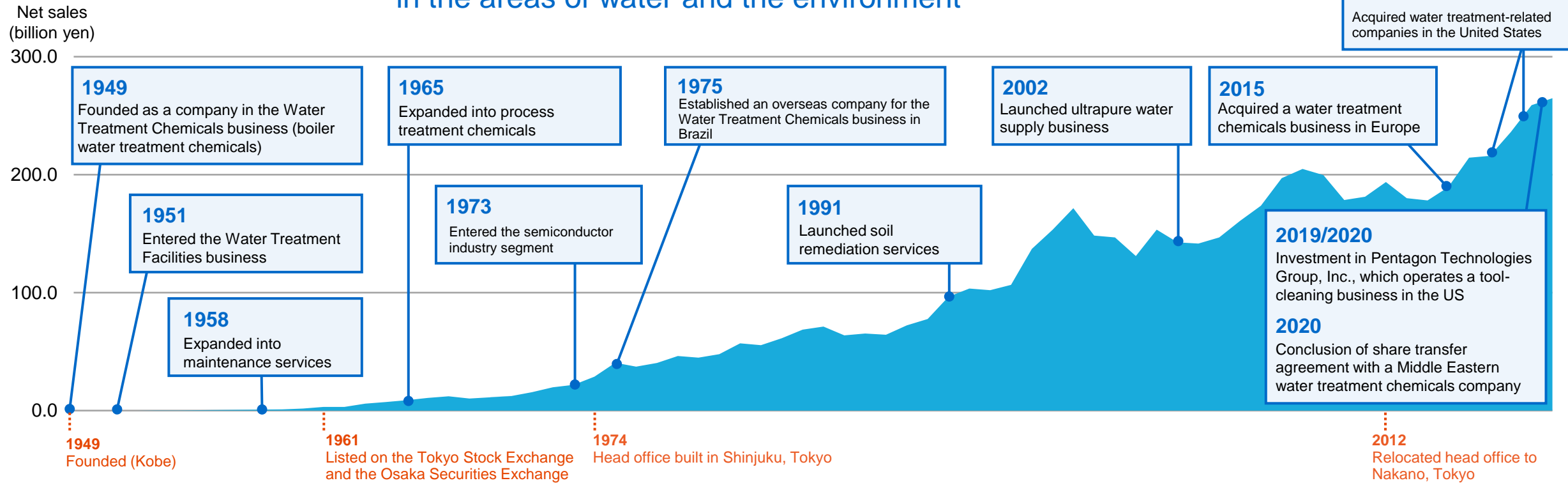
1 | Philosophy of Value Creation at Kurita

Michiya Kadota
President and Representative Director

History of Value Creation



Contributing to the provision of value to customers and the resolution of social issues
in the areas of water and the environment



What the Corporate Philosophy Means



The Kurita Group expresses its intent to create shared value with society through its business

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



Establishment of a
technology-based
company pursuing
on water



Realization of a
sustainable society



Reduction of the
environmental impact
caused by humans

Placing CSR at the center of management to realize sustainable growth



CSR Policy

Provide solutions to issues related to water and the environment, and fulfill responsibility for the future

Basic themes

1. Provide highly safe services and products



2. Conduct fair business activities



3. Respect human rights



Growth opportunity themes

4. Solve issues related to water resources



5. Realize sustainable energy use



6. Reduce waste



7. Advance industrial production technologies



Reduction of risk
Lowering of capital cost

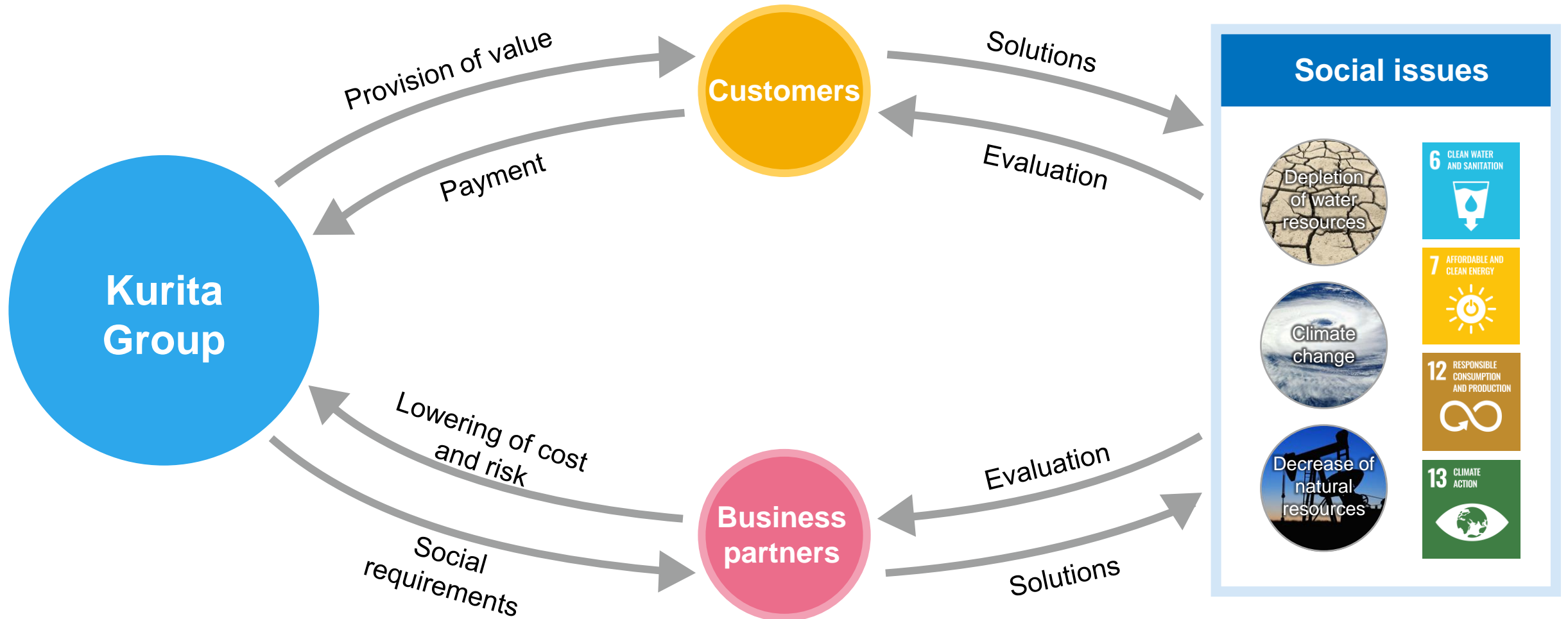
Enhancement of
corporate value

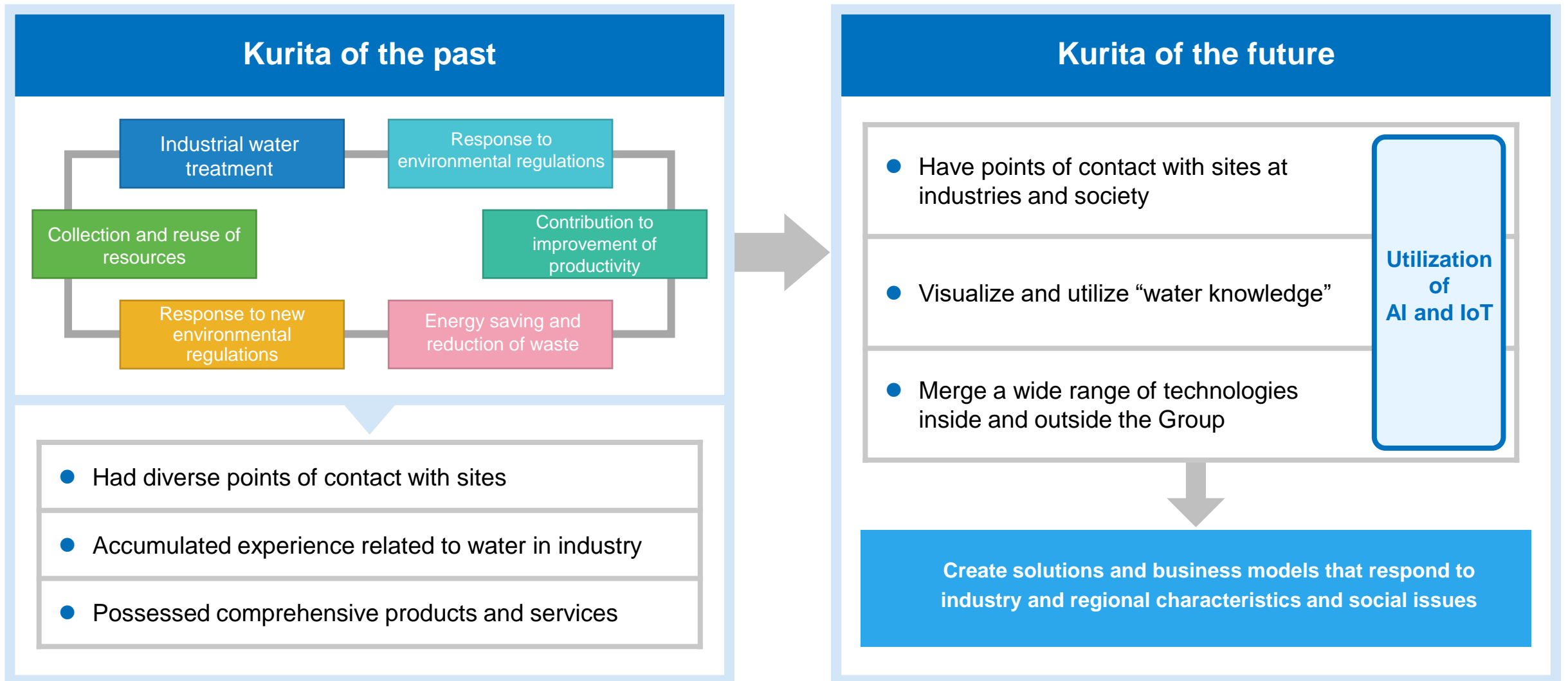
Creating of shared value with society

CSV

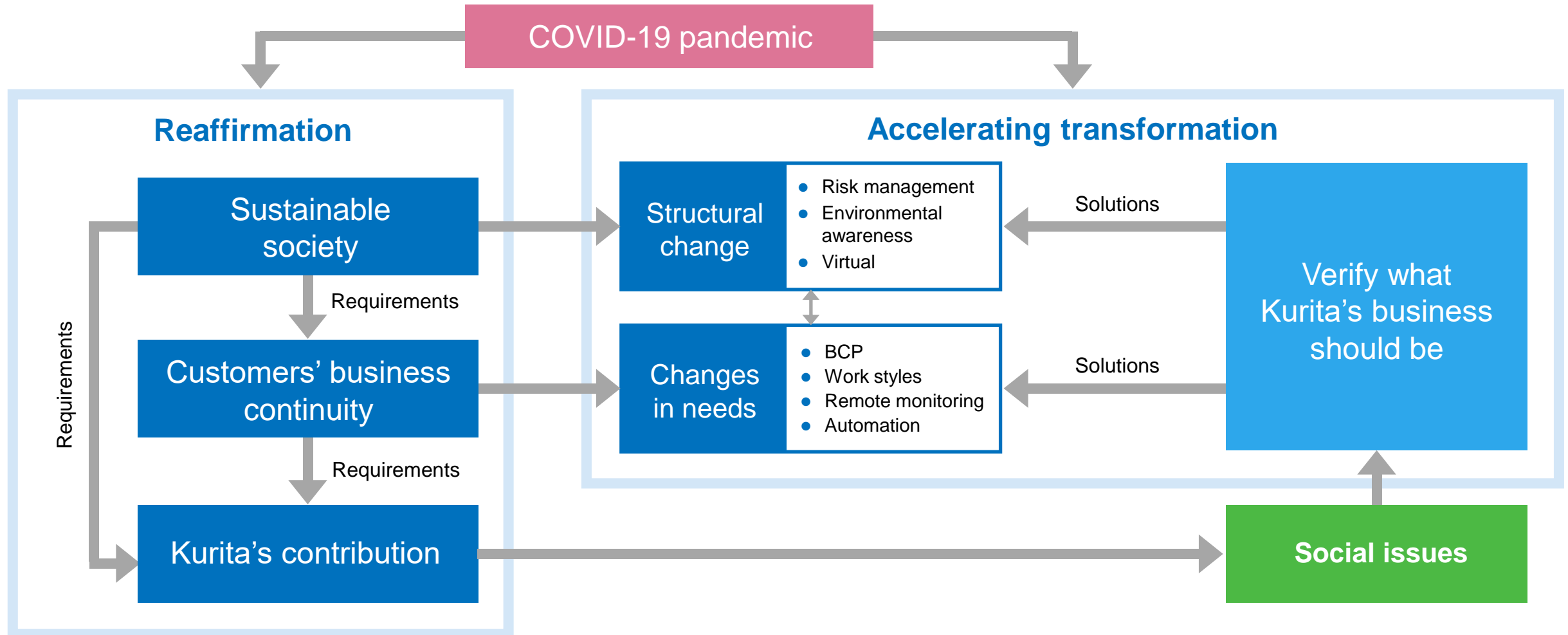
Toward the Creation of Shared Value with Society

Provision of value starts from social issues





Kurita's own transformation is an urgent need



2 | Building Systems for Value Creation

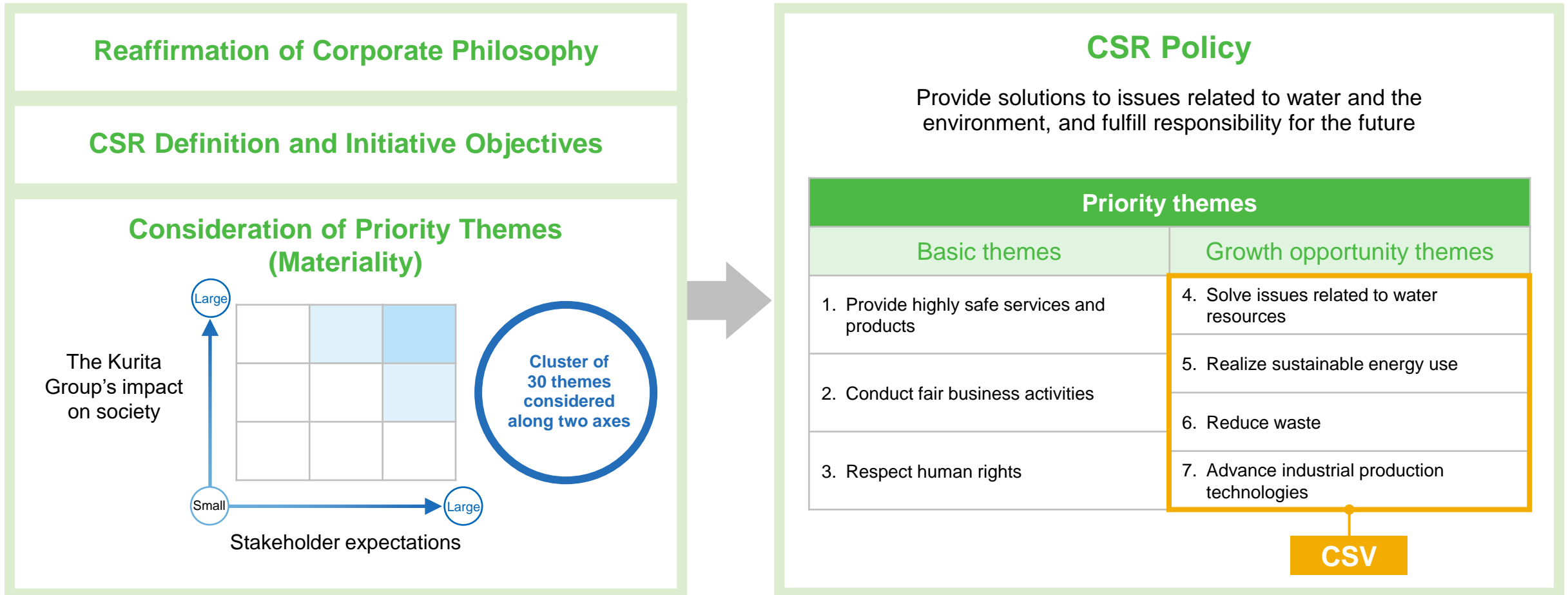
Kosuke Arai

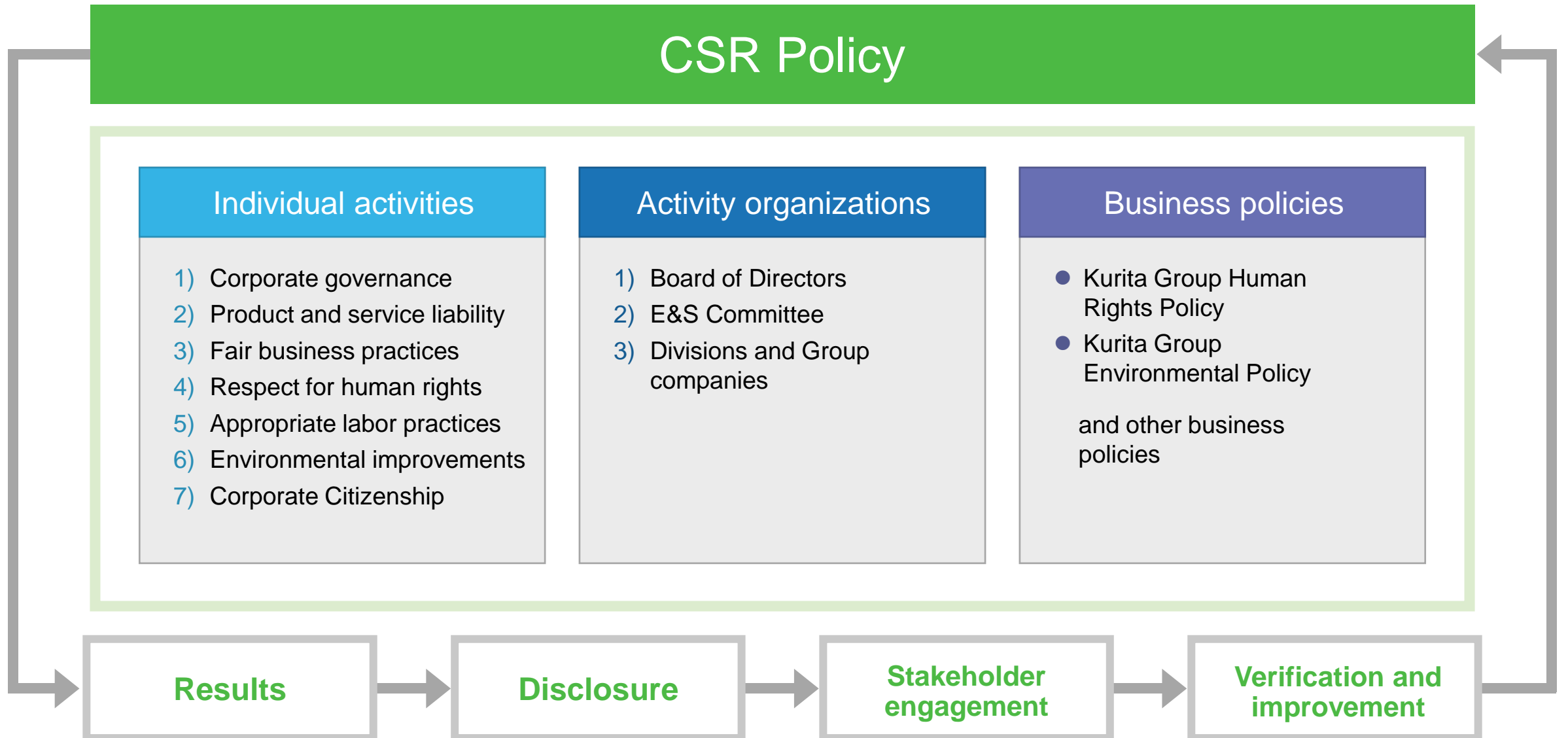
General Manager

Corporate Communications and CSR Department,
Corporate Planning and Control Division

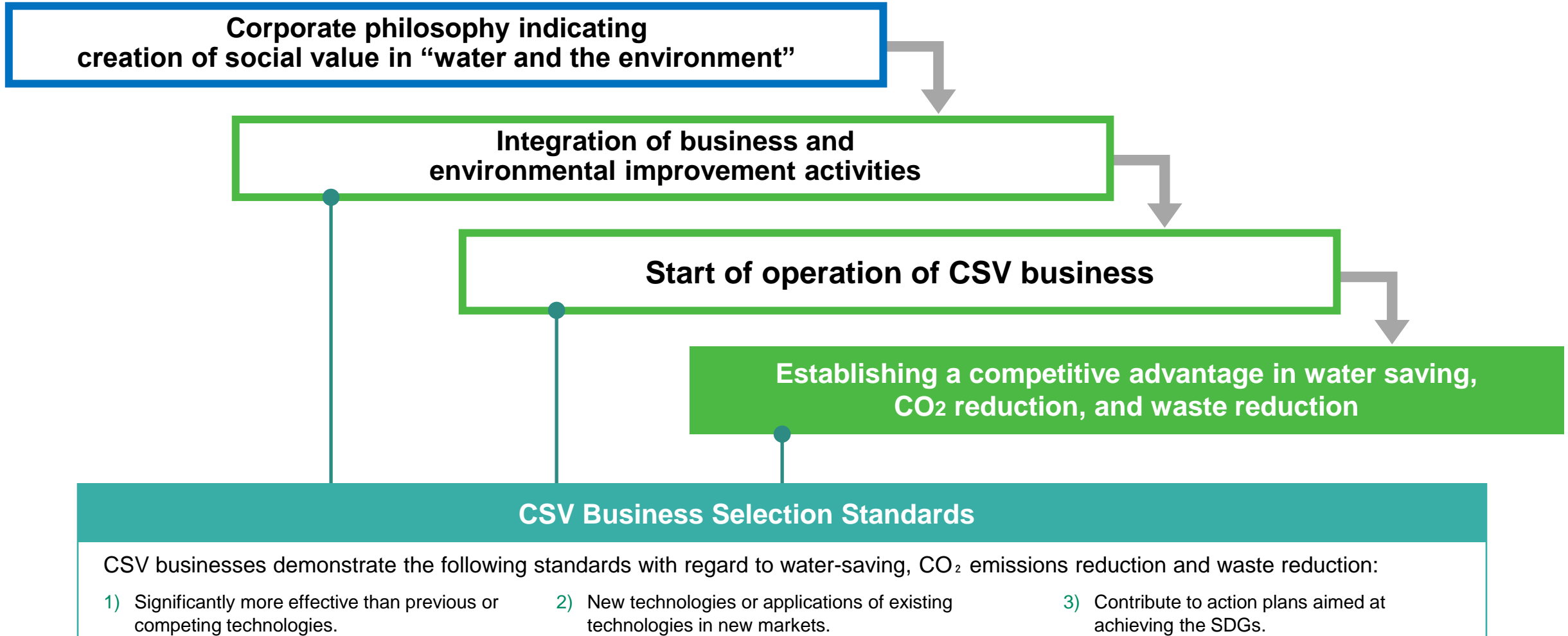
Establishment of CSR Policy

Formulate a CSR Policy from both defense (preventing impairment of value) and proactive (competitiveness) perspectives

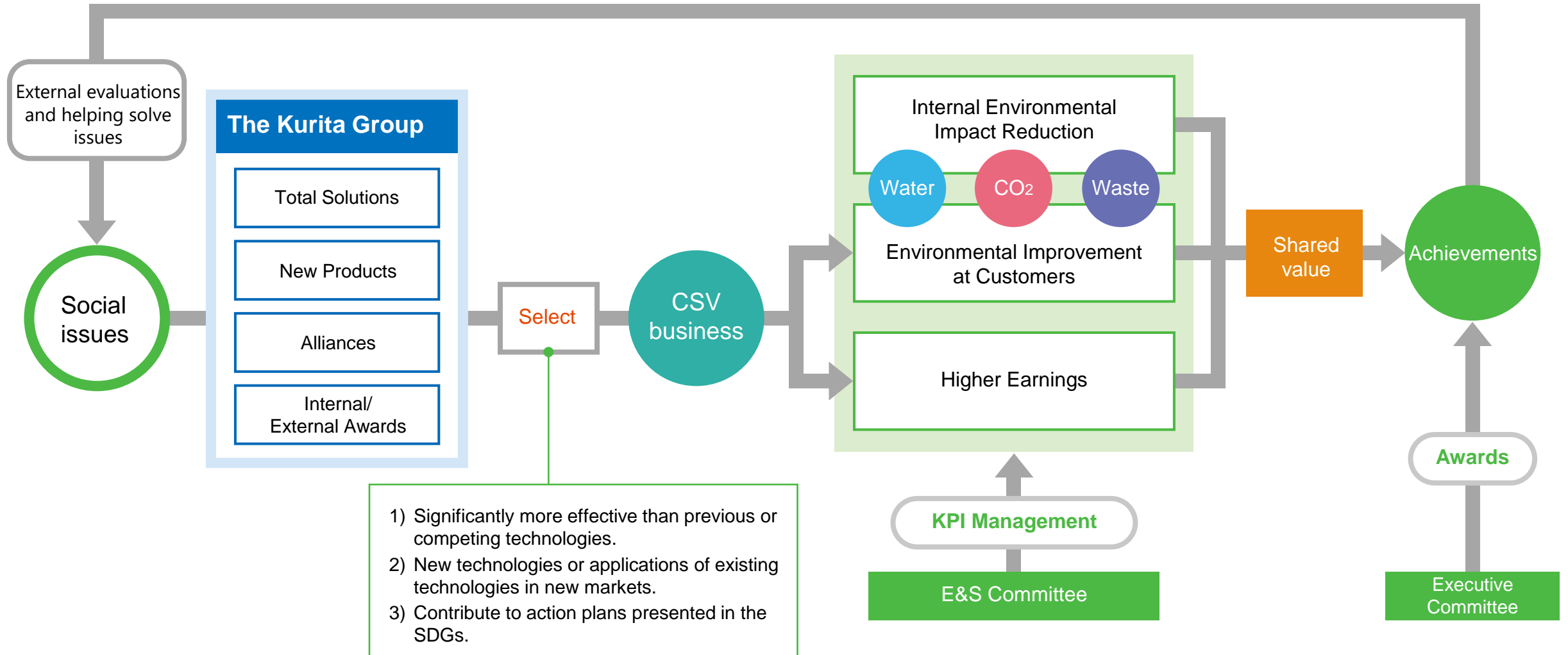




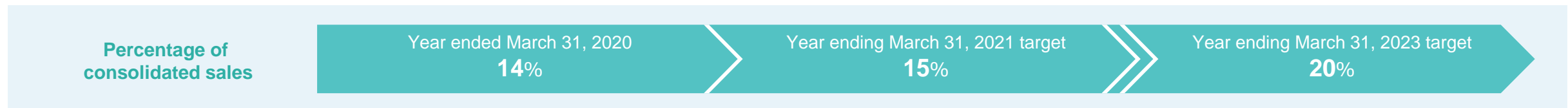
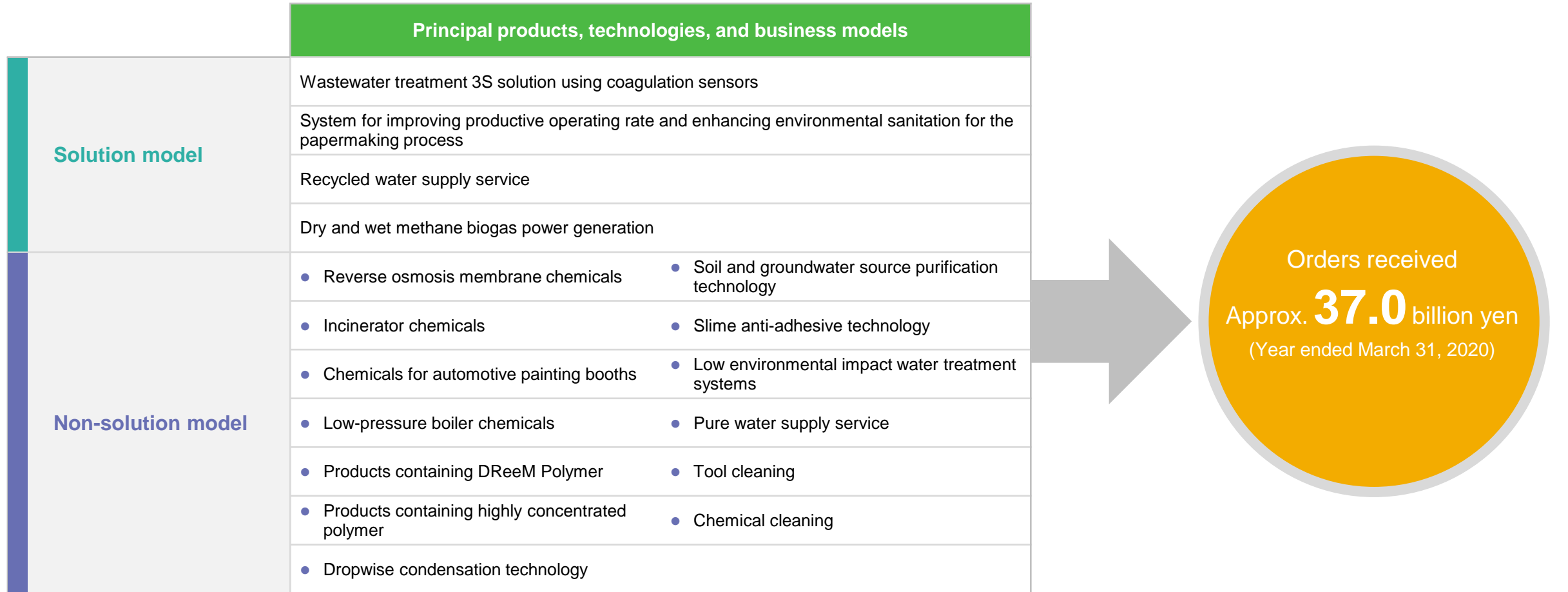
Promotion of CSV business aimed at the realization of corporate philosophy



Creation of mechanism for the Groupwide promotion of CSV business



CSV Business and Orders Received



Service contributing to significant reduction of wastewater in factories

Recycled water supply service

Facility (CORR System) - Kurita asset -

Maintenance agreement

Remote monitoring system

Service contracts

Initial investment not required



What is the CORR System?

A standard wastewater retrieval Facility contributing to stable water quality and stable operation with low facility costs by optimizing functional agents/materials according to raw water quality.

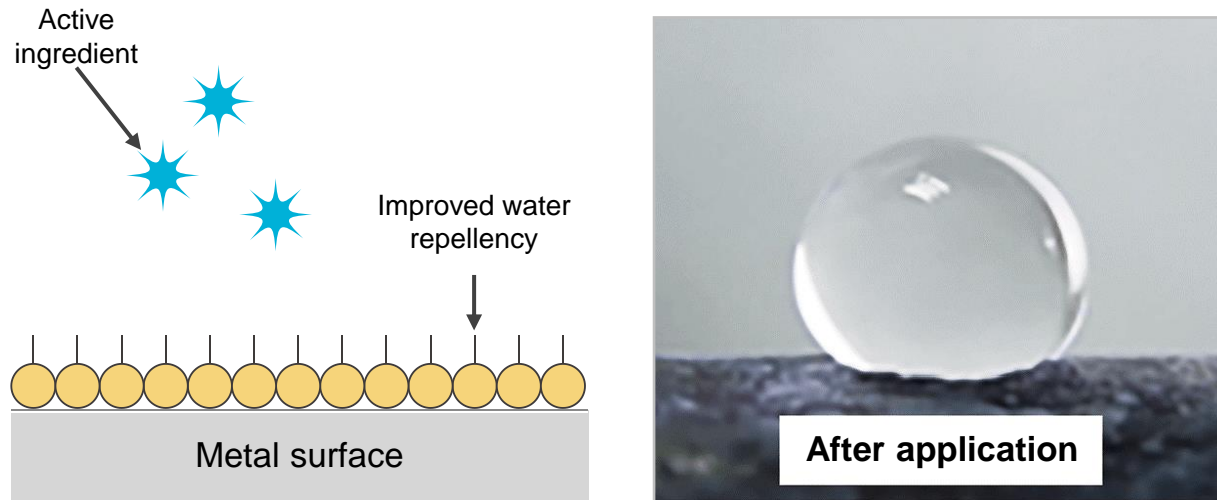
Value provided to customer

- Water saving
- Stabilization of treated water quality
- Labor saving in operation and management

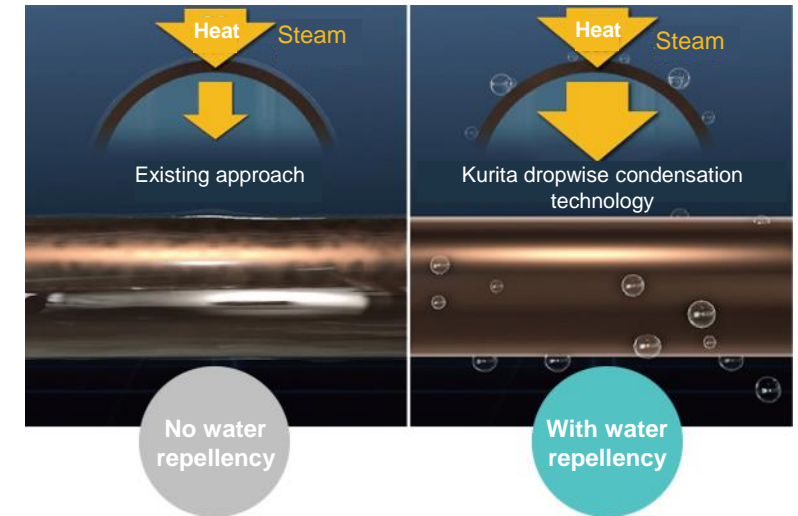
Example of CSV Business (Reduction of CO₂ Emissions)

Improving thermal conductivity by transforming water membrane that creates thermal resistance into droplets during condensation of steam

Mechanism of Kurita dropwise technology



Comparison with existing technology

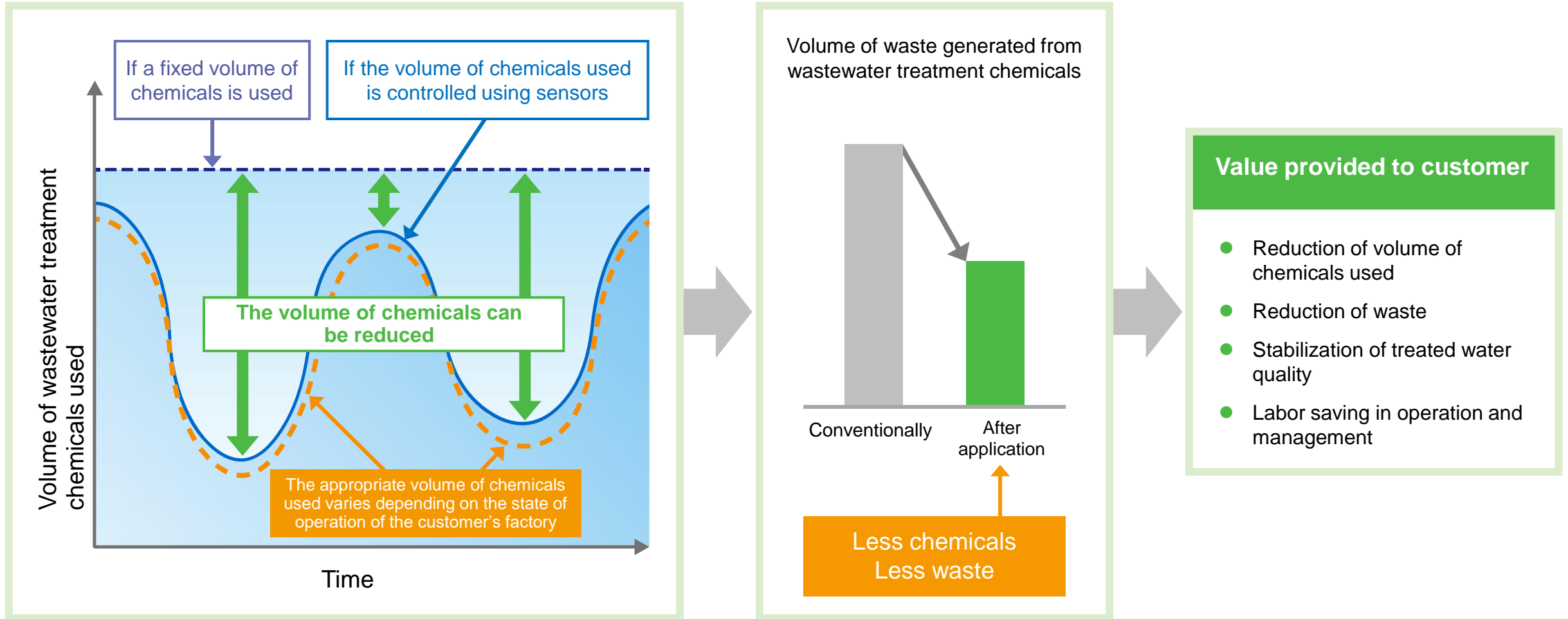


Value provided to customer

- Reduction of CO₂ emissions
- Improvement of productivity

Example of CSV Business (Reduction of Waste)

Wastewater treatment 3S (Stable, Secure, Saving) solution using coagulation sensors



Evaluation of risks and opportunities based on the TCFD's approach, and establishment of measures to address these

Type	Risks and Opportunities	Measures of the Kurita Group	
Policy and legal	<div style="display: flex; flex-direction: column; gap: 5px;"> <div style="background-color: #FFD700; padding: 2px; font-size: 8px;">Risk</div> <div>Introduction or increase of carbon tax</div> <div style="background-color: #FFD700; padding: 2px; font-size: 8px;">Risk</div> <div>Regulations for products and services with high GHG emissions</div> <div style="background-color: #00A0C0; padding: 2px; font-size: 8px;">Opportunity</div> <div>Dissemination of supportive policy incentives to the conversion to energy with low GHG emissions</div> </div>	<ul style="list-style-type: none"> Low carbonization of products and services by utilizing digital technology and reviewing design, etc. Reduction of Scope 1 and 2 emissions by switching to alternative fuels and renewable energies Development and expansion of renewable energy-related businesses such as biomass power generation Continuous strengthening of business continuity in preparation for natural disasters such as flood control Utilization of digital technology and development of low power technology Development and expansion of renewable energy-related businesses such as biomass power generation 	
	Technology		<div style="display: flex; align-items: center; gap: 5px;"> <div style="background-color: #FFD700; padding: 2px; font-size: 8px;">Risk</div> <div style="background-color: #00A0C0; padding: 2px; font-size: 8px;">Opportunity</div> </div> Substitution of existing products and services with lower emissions options
Market	<div style="display: flex; flex-direction: column; gap: 5px;"> <div style="background-color: #FFD700; padding: 2px; font-size: 8px;">Risk</div> <div>Decreased demand from fossil fuel-related sector</div> <div style="background-color: #00A0C0; padding: 2px; font-size: 8px;">Opportunity</div> <div>Increased demand in the electronic industry due to the acceleration of DX</div> <div style="background-color: #FFD700; padding: 2px; font-size: 8px;">Risk</div> <div>Soaring costs of material and energy</div> </div>		
	Physical Risks		<div style="display: flex; flex-direction: column; gap: 5px;"> <div style="background-color: #FFD700; padding: 2px; font-size: 8px;">Risk</div> <div>Increased factory shutdowns and construction delays due to extreme weather events such as cyclones and floods</div> <div style="background-color: #00A0C0; padding: 2px; font-size: 8px;">Opportunity</div> <div>Increased operating rate of cooling equipment</div> </div>
	Resource Efficiency		<div style="display: flex; flex-direction: column; gap: 5px;"> <div style="background-color: #00A0C0; padding: 2px; font-size: 8px;">Opportunity</div> <div>Dissemination of efficient production and distribution processes</div> <div style="background-color: #00A0C0; padding: 2px; font-size: 8px;">Opportunity</div> <div>Reduction of water usage</div> </div>
Energy Source	<div style="display: flex; flex-direction: column; gap: 5px;"> <div style="background-color: #00A0C0; padding: 2px; font-size: 8px;">Opportunity</div> <div>Dissemination of energy with low GHG emissions</div> <div style="background-color: #00A0C0; padding: 2px; font-size: 8px;">Opportunity</div> <div>Conversion to distributed energy resources</div> </div>		
Products and Services	<div style="display: flex; flex-direction: column; gap: 5px;"> <div style="background-color: #00A0C0; padding: 2px; font-size: 8px;">Opportunity</div> <div>Increased demand for products and services with low GHG emissions</div> <div style="background-color: #00A0C0; padding: 2px; font-size: 8px;">Opportunity</div> <div>Increasing diverse technical needs for reducing GHG emissions</div> </div>		
Resilience	<div style="display: flex; align-items: center; gap: 5px;"> <div style="background-color: #FFD700; padding: 2px; font-size: 8px;">Risk</div> <div style="background-color: #00A0C0; padding: 2px; font-size: 8px;">Opportunity</div> </div> Substitution and diversification of fuel and water resources		

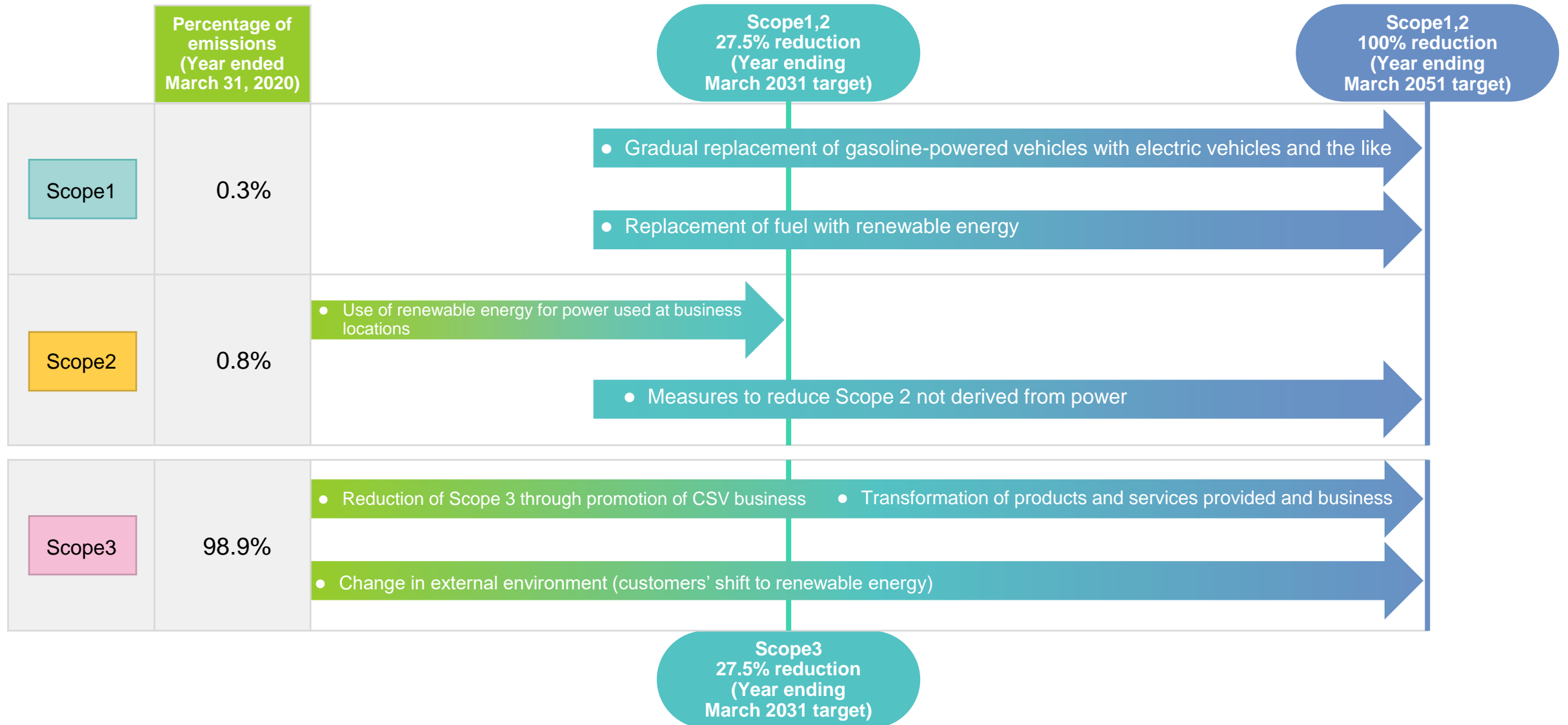
Initiatives to Address Climate Change (CO₂ Reduction Targets)



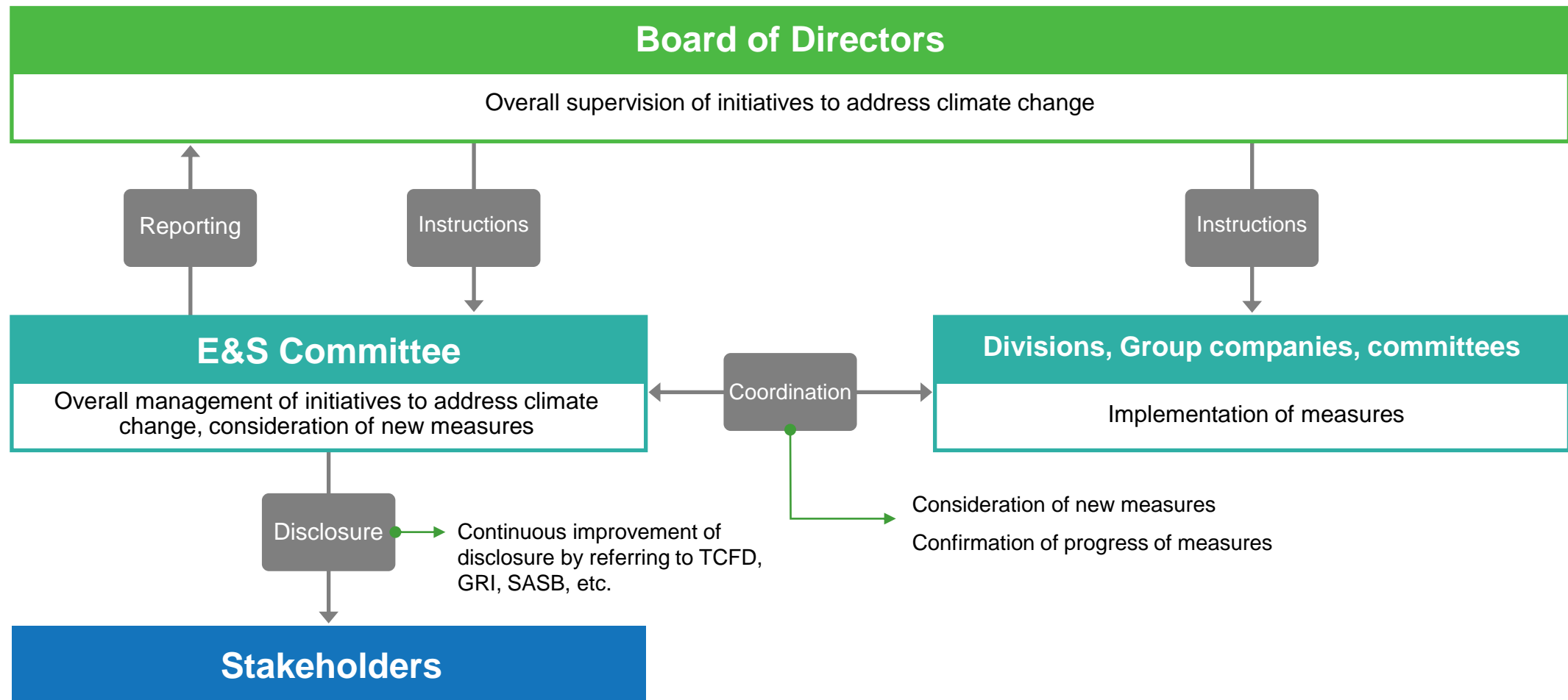
The “Well-below 2°C standard” has been set as a long-term target using the year ended March 31, 2020 as the base year according to the method indicated by SBTi

Priority theme in CSR Policy	Indicator	Year ending March 31, 2023	Long-term targets	
			Year ending March 31, 2031	Year ending March 31, 2051
5. Realize sustainable energy use	CO ₂ emission reductions at customers – CO ₂ emissions from our business activities	10,000t	—	—
	Scope 1 and 2 emissions reduction (Reduction rate from Year ended March 2020)	—	27.5%	100%
	Scope 3 emissions reduction (Reduction rate from Year ended March 2020)	—	27.5%	—

Initiatives to Address Climate Change (Schedule for Reaching Targets)



Implementation structure with commitment by Board of Directors



Effective implementation through coordination
with environmental improvement activities based on CSR Policy

Water Resilience Coalition

Vision

Global water resilience

Building a water resilient world for our communities, our ecosystems, our companies, and the global economy.

Pledge



Achieve a measurable and net positive impact in water-stressed* basins on availability, quality, and accessibility through industry-leading water operations and basin initiatives



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



Develop, implement, and enable leading impact-based water resilience practices across the global value chain.

*A situation in which the maximum available water resource per head of population is less than 1,700 m³/year.

Founding members (9 companies)

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



Members (9 companies)

- Coca Cola
- Woolworths
- Cummins
- Levi Strauss
- Intercontinental Hotels Group
- Danone
- Colgate-Palmolive
- Heineken
- GlaxoSmithKline

(As of January 31, 2021)

Initiatives to Solve Issues Related to Water Resources (WRC Implementation Structure)

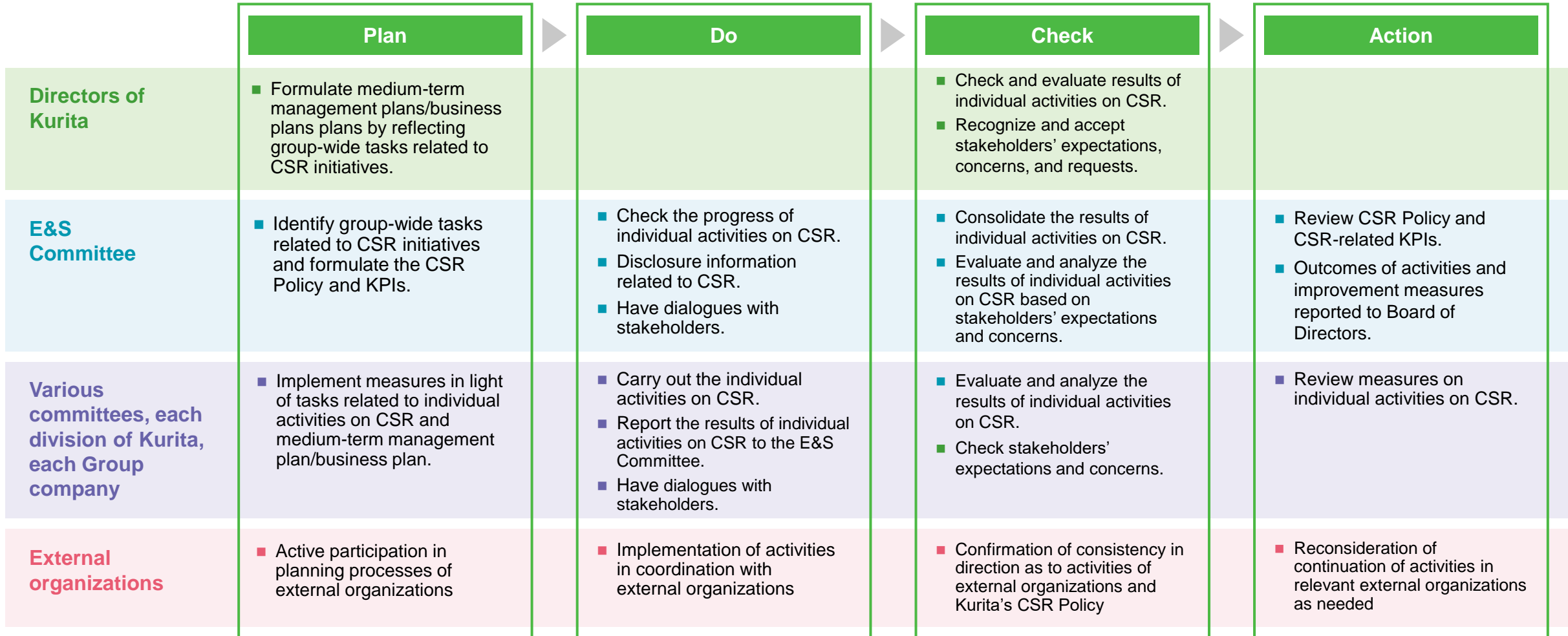
Initiatives are promoted through the Leadership Committee and three working groups

Overview of operating structure and initiatives



New PDCA for Promotion of CSR

Added “external organizations” to PDCA cycle due to participation in WRC



Status of ESG Evaluation (As of March 2021)

Inclusion in ESG Indices

FTSE4Good Index Series



FTSE4Good

FTSE Blossom Japan Index



FTSE Blossom
Japan

MSCI ACWI ESG Leaders Index



The MSCI Japan Empowering Women Index (WIN)

2020 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

SOMPO Sustainability Index

2020



Sompo Sustainability Index

Evaluation by ESG ratings organization

ISS-ESG



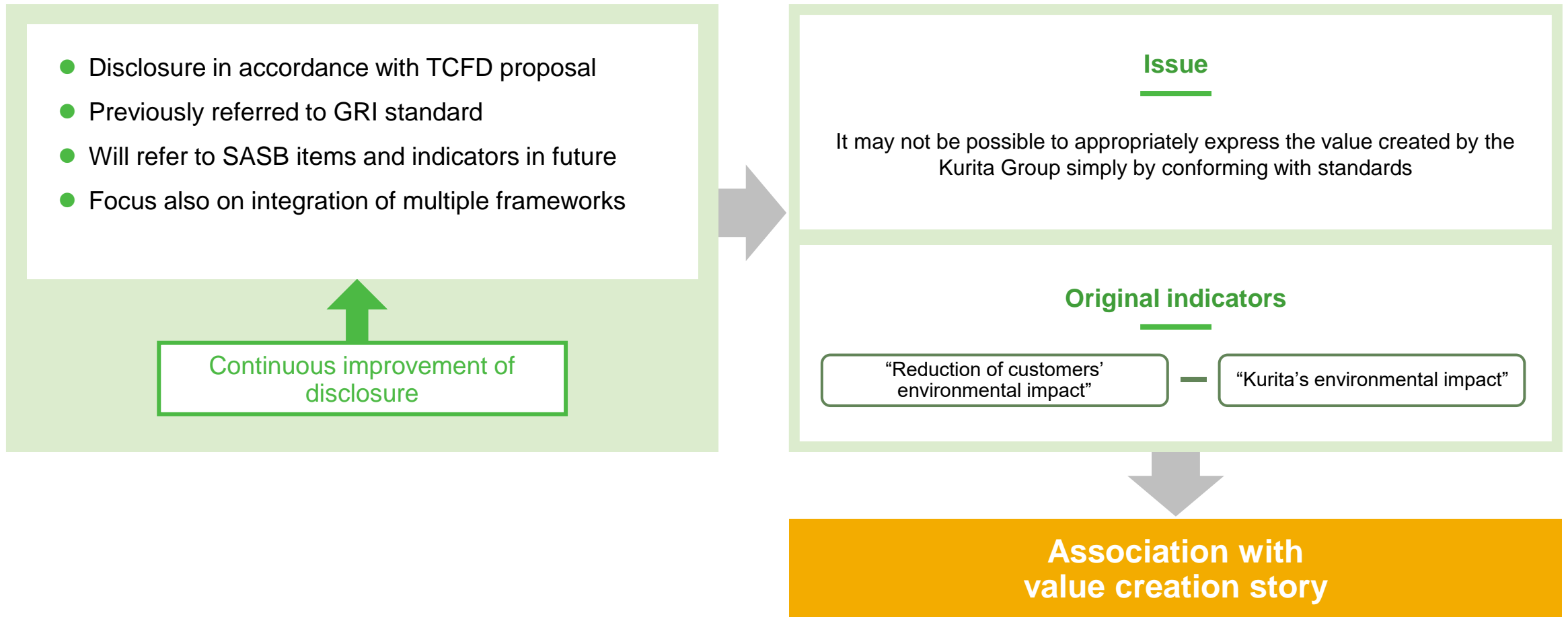
EcoVadis



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Disclosure representing the Kurita Group's value creation





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