

CSR Management Evaluation Report

July 10, 2023

To: Kurita Water Industries Ltd.

<Outline of the purpose of this report and implemented procedures>

As a third party unrelated to the businesses of the Kurita Group, we evaluated the CSR management activities described in the Kurita Group Sustainability Report 2023 prepared by the Company, and expressed our observations with the aim of enhancing the credibility of the report.

We interviewed President Hirohiko Ejiri and queried responsible staff at the head office regarding how the Group's CSR management activities were planned and carried out, as well as how performance data, which is both the result and basis of disclosed information, was generated, evaluated, and used.

<Evaluation and comments>

Fiscal 2023 was the final year of the Kurita Group's medium-term management plan Maximize Value Proposition 2022 (MVP-22). It was also a year for revisiting the Group's priority themes (materiality). The Company pursued initiatives related to CSR and strengthened its CSR foundation, engaging with stakeholders around its seven priority themes and initiatives toward their corresponding 12 key performance indicators and using their feedback to verify the initiatives. The Company achieved all the maintenance targets for its basic themes. However, because the target of improving customer environmental impact includes elements that are out of Kurita's control, the Company missed some of its targets in the four growth opportunity themes. Decision-making on the part of customers has a significant impact on whether Kurita can achieve its targets. While this had already been raised as an issue, the fact that Kurita was unable to achieve its targets for that reason calls into question the way of evaluating performance. In Pioneering Shared Value 2027 (PSV-27), the new medium-term management plan launched in fiscal 2024, the Company further broadened the scope of its materiality, setting a new priority theme: to "contribute to building a circular economy society." We believe forming closer relationships with customers will help Kurita resolve the issues it faces in achieving its targets. Our hope is that the Company will further reduce the environmental impact of society through new initiatives around the crucial theme of water and through collaborative creation between the Kurita Group and its customers.

The PSV-27 plan sets out eight categories of materiality and has now expanded to include 24 key performance indicators. We see the theme, to "solve issues related to water resources," as particularly vital. We believe that the Kurita Group, as a founding member of WRC, can draw on the models it has accumulated for calculating the impact of environmental improvements for customers in helping both to develop common global rules for corporate water resource conservation and recovery actions and in efforts to build a data platform. The International Sustainability Standards Board (ISSB) and other bodies are currently drawing up disclosure guidelines to address calls for a transition to a low-carbon and carbon-neutral society. We can expect issues demanding a response to continue increasing going forward, and there will likely be urgent calls to create guidelines around the critical theme of water resources. We look for the Kurita Group to play an important role in this area. Another newly added category of materiality is "strategic development and utilization of human resources." We appreciate the inclusion of this theme, which will be pivotal in terms of achieving targets in the other categories of materiality. Kurita has to create a framework in which each employee's purpose is to help achieve the Group's Materiality. Going forward, we encourage Kurita to keep in mind the importance of incorporating outside perspectives when selecting categories of materiality.

The Kurita Group has steadily pursued initiatives related to CSR. In the new PSV-27 plan, the Company has positioned sustainability at the core of management. It has also enhanced the framework for working across the organization, having established a Sustainability Division to carry its actions forward as a global company. We look for Kurita to



take further action in other areas going forward, including the response to human rights issues overseas and areas related to human capital. However, we expect three themes— “solve issues related to water resources,” “contribute to the realization of a decarbonized society,” and “contribute to building a circular economy society”—to be the driving force behind the Company’s sustainability in the future. Because we consider how the Company moves forward in these areas to be very important, if possible, we suggest setting up an annual forum to gather outside opinions and provide an opportunity to get feedback on matters such as the direction and extent of Kurita’s actions. By disclosing the results of this kind of forum to outside stakeholders, the Kurita Group can gain even greater understanding and support.

Finally, we conducted a basic check of Kurita’s environmental performance data collection and social data and found no significant errors.

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