



Annual Communication on Progress (CoP)

Time Period Covered: January 2023 – December 2023

Zurn Elkay Water Solutions Corporation

July 2024

Table of Contents

| | |
|--|-----------|
| Statement of Continued Support from Our CEO | ii |
| Governance | 1 |
| Section 1 : Human Rights | 2 |
| 1.1 <i>Actions</i> | 2 |
| 1.2 <i>Outcomes</i> | 5 |
| Section 2 : Labor | 6 |
| 2.1 <i>Actions</i> | 6 |
| 2.2 <i>Outcomes</i> | 8 |
| Section 3 : Environment..... | 9 |
| 3.1 <i>Actions</i> | 9 |
| 3.2 <i>Outcomes</i> | 11 |
| Section 4 : Anti-Corruption | 13 |
| 4.1 <i>Actions</i> | 13 |
| 4.2 <i>Outcomes</i> | 14 |

Statement of Continued Support from Our CEO

To our stakeholders:

I am pleased to confirm that Zurn Elkay Water Solutions reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption. In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and the ten principles into our business strategy, culture, and daily operations.

We continued to uphold these principles in 2023 and we have focused intensely in recent years on addressing climate-related crises and risks, which includes our alignment with the Global Compact and by setting actionable targets and aligning with the Task Force on Climate-Related Financial Disclosures, among other efforts. However, our environmental, social and governance (ESG) strategy is about more than managing risks. As a global leader in water management solutions, we are uniquely capable of solving complex water challenges on behalf of our global stakeholders.

Our mission at Zurn Elkay Water Solutions aligns directly with UN SDG Goal 6: *to ensure availability and sustainable management of water and sanitation for all*. Our commitment to clean technology innovation and continuous improvement keeps us focused on expanding our line of products that conserve water, contribute to a cleaner environment, protect human health and hydration, save energy and reduce the use of plastics and other nonrenewable resources.

We are guided by a comprehensive and uniform sustainability strategy led by our Board-level Sustainability Committee. Addressing water-related crises is central to our sustainability strategy and essential to how we drive the Zurn Elkay business forward.

We are committed to sharing this information with our stakeholders using our primary channels of communication and have communicated these efforts throughout our 2023 Sustainability Report.

Sincerely,



Todd A. Adams
Chairman and CEO
Zurn Elkay Water Solutions

Governance

As initial signatories to the United Nations (UN) Global Compact in 2021, we incorporated the Ten Principles of the UN Global Compact across our sustainability strategy that year. We continued to uphold these principles over the past several years as we aligned Zurn Elkay under a comprehensive and uniform sustainability strategy. In support of this, we have continued to build on our commitments under a strong governance and oversight program as follows:

- **Governance Structure:** We drive our commitment to strong governance and ethical business practices from the highest levels of our organization. Zurn Elkay's robust governance and ethics strategy includes clearly defined structures, policies and practices that embed our commitment to integrity across our business and to ensure we are transparent and accountable to all our stakeholders. To review the complete list of policies, please **see page 121 of our 2023 Sustainability Report** for a complete list of our Sustainability policies. The list of policies includes the Code of Business Conduct and Ethics, Anti-Corruption Law Policy, Anti-Trust Policy, and Supplier Code of Conduct, among others.
- **Board Oversight of Sustainability:** We reflect our commitment to being a *Sustainably Inspired* company in the robust governance structure we created to incorporate sustainable practices throughout Zurn Elkay. Oversight responsibility is shared by the Board of Directors and our executives, and it is communicated to associates through policies that guide them in their everyday work. Our Board of Directors Sustainability Committee oversees Zurn Elkay's sustainability efforts. The committee's responsibilities include monitoring performance on ESG initiatives, reporting on sustainability activities and responding to shareholder proposals on sustainability matters and other significant sustainability-related stakeholder concerns.
- **Executive Responsibilities for Sustainability:** Our internal Sustainability Steering Committee includes Zurn Elkay leaders responsible for implementing our sustainability strategy on a day-to-day basis. The cross-functional team uses their business expertise and deep knowledge of our sustainability commitments to create and refine our goals, improve our sustainability strategies, establish effective policies and enhance reporting to stakeholders. Our incentive compensation for company leaders may incorporate a link to sustainability performance via a personal performance factor, which may include sustainability-related goals the executive is responsible for leading and achieving.

We actively use and promote the UN Global Compact Principles and are dedicated to improving the transparency of corporate reporting. A description of our actions and measurement of outcomes in the four key areas of human rights, labor, environment, and anti-corruption are included in the following sections.

Section 1: Human Rights

1.1 Actions

Commitment

Access to clean and reliable water is fundamental to human health and wellness and it is an internationally recognized human right. We support the well-being of our customers, associates and community through our water safety and control products that help maintain health and hygiene. Zurn Elkay is focused to deliver a work environment that promotes the safety and well-being of our associates. And beyond providing high-quality employment opportunities, we support the communities in which we operate through financial and in-kind contributions to various organizations and initiatives and by providing ample volunteer opportunities for our associates.

System

Zurn Elkay designs and manufactures water management solutions to exceed product service life targets while meeting the latest standards for safety, including building codes, regulations, and voluntary certifications. We conduct thorough investigations of any potential product safety issues to identify root causes, take corrective action and, if necessary, publicly report any product safety issues. We maintain detailed performance monitoring through self-assessments, quarterly and annual third-party product safety audits and field investigations to help us continuously improve product safety and customer satisfaction. In addition to that, the safety of our associates is a top priority for our operations. We continually improve our safety program to protect our associates and to work toward our vision of zero recordable injuries in the workplace.

Activities

- **Human Rights Statement:** We have a stand-alone Human Rights Statement that we communicate to our associates and suppliers and provide annual human rights training for all our associates. Our Human Rights Statement aligns with UN Global Compact Principles 1 and 2, the Universal Declaration of Human Rights, and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.
- **Products that promote health and safety:** The United States faces a crisis in drinking water – aging infrastructure, pollution and other factors have led to the presence of lead, PFOA and PFOS in drinking water used by millions of people. These contaminants threaten public health, particularly in under-resourced areas. Zurn Elkay offers an immediate and affordable solution. Our products provide point-of-use filtration that immediately makes drinking water cleaner and safer. For just one dollar per student per year, school districts and other institutions can use our Elkay bottle filling stations with our filters that decrease lead levels. The filters are NSF/ANSI certified to reduce lead levels to below five parts per billion and offer the highest capacity (up to 6,000 gallons) of point-of-use filtration products on the market.

- **Safety in our facilities:** Zurn Elkay operates under mature Environmental, Health and Safety (EHS) policies, which includes local safety teams and centralized EHS professionals. Zurn Elkay's Corporate Risk Management Team oversees the company's EHS efforts as part of the team's responsibilities for insurance, facilities, business continuity planning and security. This group provides general oversight and guidance to regional EHS staff, ensuring that all programs, training and supporting documents meet regulatory requirements. The Risk Management Department is led by the vice president of risk management, who reports directly to our CFO. At each facility, programs are managed by regional EHS staff, who report to the corporate team.
- **Occupational Health and Safety Training:** We require training for all associates upon hire and annually thereafter, in accordance with country- and state-specific EHS requirements and identified best practices. To meet these requirements, we assign each site a compliance calendar that consists of 28 different EHS topics. On average, each Zurn Elkay shop associate receives 16 training hours on applicable topics annually.
- **Monitor and measure safety performance:** Every year, we strive for zero workplace injuries. Regular monitoring of our safety performance statistics helps us maintain this record of accomplishment and make progress toward our vision of zero recordable workplace injuries. As part of our work toward that ambition, we set a goal to reduce our TRIR by 10% by 2023. This target includes all full- and part-time associates and contracted temporary workers but excludes third-party subcontractors. We achieved this goal in 2023.
- **Contractor Safety:** Contractors play an essential role in our operations, and we value their work and dedication. We extend the same commitment to safety at our facilities for these workers as we do for our direct associates. Our EHS program includes a robust Contractor Safety Program. We manage any contractor incidents through Zurn Elkay's incident investigation program to determine root causes and corrective actions. We had zero workplace fatalities in 2023.
- **Wellness Program:** We offer a comprehensive set of benefits to help our associates achieve better health. We offer a wellness program that includes resources and incentives to help them maintain their physical and mental health, with a focus on preventive care. Participants earn wellness points for participation in the program, and they can use it to reduce the cost of their annual health care premiums. In 2023, 85% of associates participate in our wellness program.
- **Communities:** We focus our community philanthropic efforts on local organizations where we believe we can have the most significant positive impact, with a particular focus on areas with poor water quality and areas with few resources to support racial justice and equity. We provide financial support, in-kind donations and volunteer time to organizations working at the ground level to foster sustainability in our communities. We deliver this support through direct corporate donations as well as through the Zurn Foundation.

- **Responsible Sourcing:** Our global supply chain organization includes three leadership positions dedicated to overseeing critical areas of supplier diversity, supply chain sustainability and supply chain risk. We established a supplier assessment program that is intended to promote awareness of environmental and social impacts and foster a transparent and responsible supply chain. We require all suppliers to sign our Supplier Code of Conduct. The rules of conduct cover human rights and labor practices, environmental, health and safety standards, and ethics, integrity and compliance. We conduct periodic internal supplier audits, with a goal to audit our top suppliers every three years, to ensure that they meet our requirements with respect to applicable laws and working conditions, including laws against human trafficking and slavery.
- **Supplier Quality and Development Program:** In 2023, we instituted the Supplier Management and Governance Council. The council meets monthly to review current supplier risks, ESG and sustainability initiatives. If there are suppliers that are not meeting our expectations, the council helps develop action plans, take appropriate corrective actions and evaluate the business relationship if necessary.
- **Supplier Diversity Program:** Our U.S. Supplier Diversity Program aims to increase domestic spending with suppliers owned by women, racial and ethnic minorities, LGBTQ+ individuals, disabled individuals or veterans or businesses located in HUB Zones, areas the Small Business Administration has designated as historically underutilized. We have partnerships with organizations that help us increase our supplier diversity. These partners provide valuable services to Zurn Elkay, including certifying suppliers, providing supplier training and development, as well as providing opportunities to engage with diverse suppliers throughout the year. In 2023, 5.5% of our domestic spending went to diverse suppliers, putting us on track to achieve our goal of 8% diverse spending by 2025.
- **Critical and Conflict Materials Management:** Zurn Elkay is committed to sourcing components, raw materials and products from companies that share our values around human rights, ethics, and environmental responsibility. As such, the responsible sourcing of minerals is a fundamental element of our Conflict Minerals Policy. Zurn Elkay's due diligence program is performed in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. In 2023, we initiated our research phase to determine Zurn Elkay's critical materials. We have a preliminary list of 14 critical materials and are working to determine a strategy to help ensure business continuity, which may include diversification of suppliers, stockpiling of materials, development or procurement of alternative and substitute materials and investments in recycling technology for critical materials. This research is ongoing.

1.2 Outcomes

Achieving continuous improvement in workplace safety demands ongoing tracking and measurement of our performance. We diligently monitor our safety performance data to provide our teams with the insights they need to make progress toward our vision of zero recordable workplace injuries.

In 2023, we achieved our goal of a 10% reduction in our TRIR. Seventy percent of manufacturing and warehouse locations achieved zero recordable injuries in 2023. We attribute success to disciplined commitment to our Health and Safety Management System, which includes tools and processes for measuring safety performance and promoting continuous improvement.

Total Recordable Incident Rate (TRIR) and Lost Time Incident Rate (LTIR), 2021-2023*

| | Zurn Elkay 2021 | Zurn Elkay 2022 | Zurn Elkay 2023 | Industry Average |
|-------------|-----------------|-----------------|-----------------|------------------|
| TRIR | 1.60 | 1.21 | 0.68 | 2.9 |
| LTIR | 0.60 | 0.37 | 0.26 | 0.80 |

* Metrics include all full and part-time associates and contracted temporary workers but exclude third-party subcontractors.

| Worker Health & Safety Metrics, Volunteerism, Donations and Diverse Supplier Spend | 2023 Outcome |
|--|---------------------|
| Total Recordable Incident Rate (TRIR) per 200,000 hours worked globally | 0.68 |
| Lost Time Incident Rate (LTIR) per 200,000 hours worked globally | 0.26 |
| Fatality Rate (number) | 0 |
| Percentage (%) of employees participating in “best practice” health and well-being programs that help to reduce absenteeism and improve productivity | 85% |
| Donations to community organizations; in cash or in-kind (USD \$) | \$7.7 Million |
| Hours of volunteer time (# hours) | 5,366 |
| Proportion of spending on local suppliers as percentage (%) of the procurement | 41% |
| Diverse suppliers spend on businesses owned by women, minorities, disabled individuals, veterans, LGBTQ+ community members, and located in HUBZones (USD \$) | \$15.1 Million |

Section 2: Labor

2.1 Actions

Commitment

Zurn Elkay stands against racism, discrimination, and social injustice. We are committed to maintaining a culture that celebrates diversity and fosters inclusion while working to create a more just and equitable society. Diversity, equity, and inclusion (DEI) is a fundamental part of our business and our core values. We strive to offer a work environment that encourages our associates to feel comfortable and that recognizes the unique perspectives they bring.

System

The People pillar of our sustainability strategy recognizes the importance of fostering an inclusive workplace for everyone and investing in our associates' success. To support that pillar, we have focused on integrating our expanded team into one community under a shared system of platforms, policies, and benefits. We have prioritized our diversity, equity, and inclusion programs to ensure that we are creating a more inclusive environment where all Zurn Elkay associates can bring their authentic selves to work. We have enhanced our compensation and benefits policies to attract, retain, incentivize, and reward associates. All Zurn Elkay associates are on an annual cash bonus plan and have an ownership stake in the company through a long-term equity incentive. Shared ownership creates a strong alignment between their personal contributions and our company's success.

Activities

- **Measure Associate Engagement:** Our Total Associate Engagement (TAE) survey measures employee engagement annually and is one of our core values and a central focus of the Zurn Elkay Business System. Cultivating associate engagement ensures we can continue developing innovations that support our customers' needs. It also helps us attract and retain talented associates who are essential to our company's long-term success. In 2023, engagement improved across many metrics, demonstrating the continued strengthening of our organization. TAE Survey participation was 94% in 2023, up from 87% in 2022 and exceeding our 2022 goal of 80% participation by 2024. Our overall TAE score of 71% represents an increase of 2 percentage points from 2022.
- **Benefits:** We know that a comprehensive, high-quality suite of benefits is essential to attract and retain the talent we need. 100% of our employees are eligible for a competitive package that encompasses health and financial benefits. Our integrated package for Zurn Elkay includes medical, dental, vision, health savings accounts, life insurance, disability coverage, employee assistance program (EAP), medical second opinion programs, dependent care Flexible Spending Account, telemedicine, business travel accident, and merit increase program. We also offer a robust 401(k) retirement plan with a generous company match. Additional benefits include equity grant, bonus eligibility, family support, scholarships, wellness programs, parental leave, paid volunteer time, matching gifts for charities, employee referral bonus and paid sick time.

- **Professional Development:** We deliver training opportunities in a range of formats—including leadership development programs, on-the-job training, virtual education, and peer-to-peer learning. As our associates grow and acquire new skills, they can continue developing the innovative water management solutions we need for the future.
- **Succession Planning:** Annual comprehensive succession planning and development process delivering talent succession for the top three levels of the organization.
- **Diversity, Equity, and Inclusion Strategy:** Our Executive Council (EC) directly oversees the Zurn Elkay DEI strategy. Members of the EC are executive sponsors on the associate-led Diversity Council. Our chief human resource officer is responsible for tracking and measuring progress against our DEI objectives and provides periodic reports to our CEO, Executive Committee and Sustainability Committee. Our associates receive bias and diversity training as part of our annual Code of Conduct training.
- **Leadership Development:** We are committed to investing in our next generation of leaders. Our leadership development programs include *Bridge to Business Program*, which bridges the gap between engineering expertise and effective business leadership; Manager Development Programs; *RAPIDS Leadership Program* for investing in future leadership and succession planning; and Women Unlimited Program, which offers a suite of programs to elevate our female talent into leadership roles, fostering success for both participants and our business.
- **Promoting Diverse Leadership:** In 2023, Zurn Elkay had nine associates participate in McKinsey & Company's Connected Leaders Academy, a leadership development initiative tailored to the challenges of today's business landscape. Through an immersive curriculum and personalized guidance, participants undergo transformational growth — acquiring the insights, skills and strategic acumen to navigate complexities, drive innovation and lead effectively.
- **Employee Resource Groups:** These groups are a critical part of our strategy to create a workplace where everyone feels comfortable and supported as their true selves. These associate-led organizations bring together people with shared backgrounds or characteristics to discuss their experiences, identify opportunities to improve our diversity and inclusion efforts and create networking and personal development opportunities.
- **Pay Equity:** We pride ourselves on paying for performance and conduct an annual pay equity review to ensure that qualifications like years of experience, education and prior work history influence associate pay, not gender.

2.2 Outcomes

| Labor Metrics, Human Capital, and Employee Demographics | 2023 Outcome |
|---|--------------|
| Percentage of active workforce covered under collective bargaining agreements | 8.1% |
| Number of work stoppages | 0 |
| Total Associate Engagement (TAE) Survey Response Rate | 94% |
| TAE Score - Employee engagement; conducted by third-party survey. | 71% |
| Associate Inclusion Index Score | 79% |
| Total paid parental leave per associate | 10 days |
| Percentage of females in the workforce, globally | 33% |
| Percentage of female representation in management, globally | 30% |
| Percentage of female representation on the Board of Directors | 30% |
| Percentage of minorities in the US workforce | 38% |
| Percentage of minorities in the US management | 16% |

HUMAN CAPITAL STRATEGY GOALS

GOAL/TARGET

2023 RESULTS

EXCEED the industry average Associate Inclusion Index score annually

Achieved

DISCLOSE associate diversity metrics annually

Achieved

OFFER all associates 1% of their annual company time to volunteer

Achieved

MAINTAIN 80% engagement survey response rate annually

Achieved

We introduced the following new human capital strategy goal in 2023:

New

PROVIDE 18 hours of training per associate by 2025

Section 3: Environment

3.1 Actions

Commitment

Zurn Elkay seeks to promote environmental stewardship through sustainable water solutions and helping other sectors of the economy reduce their water usage, while seeking to minimize our own environmental footprint. Our commitment to clean technology innovation and continuous improvement keeps us focused on expanding our line of products that conserve water, contribute to a cleaner environment, protect human health and hydration, save energy, and reduce the use of plastics and other nonrenewable resources.

System

Across all operations, the Zurn Elkay Environmental Management System (EMS) focuses on three fundamental environmental principles: protecting air, water and land. To support those principles, we have developed a comprehensive framework for measuring our company's environmental aspects and impacts, identifying and mitigating risks, ensuring compliance with regulations and delivering on our commitment to continual improvement. Zurn Elkay's Corporate Risk Management Team oversees the company's EMS. At each facility, programs are managed by regional EHS managers, who report to the corporate team. We have created the policies and procedures in our EMS to reflect the values and principles laid out in UN Global Compact's Principles.

Activities

In 2023, we focused our efforts on making progress on our previously established targets. In the spirit of our core value of *Continuous Improvement*, we reduced the energy intensity of our operations, increased our use of renewable energy, reduced our Scope 1 and Scope 2 GHG emissions, continued to refine the reporting of our Scope 3 value chain emissions, decreased our NOx emissions intensity per dollar of revenue and reported emissions intensity of several criteria air pollutants.

- **Environmental Audits:** Internal environmental audits are a fundamental management tool in our program. We built our audit process based on regulatory requirements and best management practices to focus on three main requirements: documentation and training, facility conditions and associate interviews. We audit 33% of our facilities annually, so each facility is audited at least once every three years.
- **Energy Use:** We are committed to reducing our overall energy consumption. We have set a target to reduce our energy intensity (normalized against revenue) by 15% by 2024 (compared to our 2021 baseline). We have conducted energy maturity assessments on our top energy-using facilities to examine a range of energy reduction measures, including lighting, HVAC, air compressors, variable speed drives and heat capture.

- **Decarbonization Roadmap:** In 2023, we developed a more detailed roadmap for reducing our Scope 1 and 2 GHG emissions. Step one is underway as we work to reduce our facilities' baseline energy use and GHG emissions. During the year, we conducted energy maturity assessments on especially energy-intensive facilities, exploring a range of potential energy reduction projects and scoring them on impact, cost and complexity.
- **Renewable Energy:** Renewable energy procurement is the second key step of our decarbonization roadmap. In 2023, we started purchasing RECs for two additional facilities. Six of our facilities now purchase RECs that cover 100% of their electricity use, amounting to over 5,000 MWh and resulting in over 2,000 metric tons of CO₂e emissions eliminated in 2023.
- **GHG Emissions:** We receive third-party verification of our Scope 1 and 2 greenhouse (GHG) gas inventories. We also quantify and report on the Scope 3 categories that are material to our business activities and value chain. As part of our strategic planning process, we developed a decarbonization road map to define a pathway to reduce GHG emissions in line with the Paris Agreement goals.
- **Avoided GHG Emissions:** Zurn Elkay provides a range of sustainable products that help customers avoid GHG emissions while providing other environmental benefits such as: the energy-efficient hand dryers replace paper towels, helping avoid GHG emissions in the energy-intensive paper manufacturing process; Zurn's PEX piping systems for plumbing and heating conserve water and reduce energy usage and; Elkay water bottle fillers reduce the substantial carbon footprint associated with the manufacturing and distribution of single-use plastic water bottles.
- **Water Use:** We employ a multi-tiered approach to our facilities' water management and share responsibility across the entire organization. Facility managers take the lead on monitoring and improving water consumption and intensity at their sites, reporting their efforts to the corporate EHS Team. Our president and vice president of Risk Management provide senior-level oversight for EHS staff and facility general managers. In addition, our Sustainability Steering Committee provides further oversight of companywide water management efforts. Between 2022 and 2023, we experienced a reduction in our total water withdrawn, discharged and consumed.
- **Waste and Recycling:** Our waste reduction and recycling efforts extend beyond our commitment to using recycled materials in our products. We continually seek ways to eliminate waste generation and to divert more waste away from landfills through recycling and reuse. In 2023, we recycled 65.5% of total waste from our operations. Our EHS Team collects waste data across all our facilities; in 2023, we increased the frequency of this data collection from annually to quarterly. This new schedule enhances our ability to analyze waste data and identify potential improvements while also helping us refine our data collection process.
- **Life Cycle Assessment:** We dedicate ourselves to understanding our products' sustainability characteristics throughout their life cycle, from the production of the materials used to create them through their eventual disposal. In 2022, we conducted our first product life cycle assessment (LCA) and environmental product declaration, documenting the end-to-end environmental impacts of our U.S.-made stainless-steel sinks. In 2023, we completed our second LCA on our vitreous china urinals.

- **Product Stewardship:** We have committed to improving our product stewardship and transparency efforts, as well as reducing the toxic footprint in the supply chain. We have expanded our robust screening programs across the organization, including requiring suppliers to submit annual full material disclosures via Toxnot, a platform that manages compliance, transparency and reporting of all known chemical substances and finishes, coatings and additives used in the component or product.
- **Training and Awareness Programs:** Training sessions for our associates to recognize environmental risks in the fundamental areas of air, water, and land.
- **Communications:** Internal communications include monthly reporting to operations leadership on environmental and health and safety objectives, targets and KPIs, as well as safety alerts to quickly communicate an incident and corrective action to facility managers and associates.
- **Integrate Climate Change Risks into the Business:** In 2023, we expanded our Task Force on Climate-Related Financial Disclosure (TCFD) Index. Opportunities to mitigate climate change are inherent in many of our product lines (e.g., water efficiency and conservation products). Therefore, we regularly integrate climate-related issues in our review of business strategy and risk management planning. We developed a formal organization-wide plan under executive-level supervision in addition to plans at the facility levels.

3.2 Outcomes

Zurn Elkay products saved an estimated 31 billion gallons of water in 2023, and our goal is to maintain that impact to at least 30 billion gallons annually. Additionally, Elkay water bottle fillers have prevented the use of more than 17.8 billion single-use plastic water bottles avoided through the use of our drinking water products in 2023. We aim to prevent the use of 15 billion single-use plastic water bottles annually.

| Environmental Metrics, Carbon, Energy and Water | 2023 Outcome |
|---|------------------------------|
| Gross global Scope 1 GHG Emissions | 12,486 Mt CO ₂ e |
| Gross market-based energy indirect Scope 2 GHG Emissions | 10,657 Mt CO ₂ e |
| Gross total other indirect Scope 3 GHG Emissions | 245,778 Mt CO ₂ e |
| Total energy consumed | 379,767 GJ |
| Percentage grid electricity | 29.2% |
| Percentage renewable | 5.6% |
| Total water withdrawn (Thousand cubic meters) | 227.0 m ³ |
| Total water discharged (Thousand cubic meters) | 197.5 m ³ |
| Total water consumed (Thousand cubic meters) | 29.6 m ³ |
| Percentage of total water consumed in regions with high or extremely high baseline water stress | 35.5% |
| Total waste generated | 10,758 Mt |
| Percentage of total waste diverted from disposal (recycled and reuse) | 65.5% |
| Hazardous waste intensity (Metric tons/ \$M revenue) | 0.02 |
| Product safety - Number of recalls issued, total units recalled | 0 |
| Percentage of revenue from products with sustainable attributes | 86% |

Section 4: Anti-Corruption

4.1 Actions

Commitment

We are committed to adhering to our core value of demonstrating integrity in everything we do. We recognize that this commitment to solid governance is fundamental to delivering value to our shareholders while upholding our environmental and social obligations as a responsible corporate citizen.

System

Zurn Elkay's robust governance and ethics strategy includes clearly defined structures, policies and practices that embed our commitment to integrity across our business and ensure we are transparent and accountable to all our stakeholders. We drive our commitment to strong governance and ethical business practices from the highest levels of our organization. The Zurn Elkay Board of Directors leads these efforts by overseeing company management on behalf of our shareholders.

Activities

- **Compliance and Ethics:** The Zurn Elkay Code of Business Conduct and Ethics guides our behavior across all business units and levels of the company, defining responsibilities, providing resources, and guiding training on various areas, including our Anti-Corruption Law Policy and procedures. The code covers a range of topics, including conflicts of interest, insider trading, data privacy, employment practices such as harassment and discrimination, and our Human Rights Statement. To support our commitment to our Code of Business Conduct and Ethics, we maintain a reporting program that allows associates and vendors to report claims through various methods, including a 24/7 confidential hotline, website, email, mail, in person or externally through government regulators. This same reporting program is accessible to associates to report interactions and transactions with suppliers and other supply chain partners.
- **Anti-Corruption Policy:** As a multinational company, Zurn Elkay operates under several different regulatory and legal regimes, including the U.S. Foreign Corrupt Practices Act and other local and international bribery and corruption laws. We provide our [Anti-Corruption Law Policy](#) to associates in multiple languages to deliver the guidance needed to remain in compliance with various laws. We also employ a strong due diligence process to protect the company against bribes and other unlawful offers made to potential customers by third-party intermediaries such as sales agents, customs brokers, and freight forwarders. Any associate hiring a third-party intermediary must perform an anti-corruption review process and risk assessment. Our contracts with third-party

intermediaries also include standard provisions such as anti-corruption representations, audit rights and termination rights for any violations of applicable anti-corruption laws.

- **Tax Transparency:** We are committed to complying with tax laws, as well as following the spirit of those laws, in the countries in which we operate. In line with our core value of integrity and our Code of Business Conduct and Ethics, we manage our tax affairs by applying responsible tax practices and acting transparently. Our tax and finance teams work to maintain compliance with tax laws wherever we have business dealings.

4.2 Outcomes

The Zurn Elkay Team regularly reviews the anti-corruption activities and processes in order to evaluate compliance with corporate procedures and policies, implementation of this policy in respect of its suitability, adequacy and effectiveness and makes improvements as appropriate. These reviews identify risks in our controls and our operating environments, providing the insight necessary to drive continuous improvement in our compliance program.

We have developed a strong due diligence process for third-party intermediaries, including a robust anti-corruption review and risk assessment. Before an associate can employ an intermediary's services, they must complete this process and have a written agreement in place. Our contracts with third-party intermediaries also include standard provisions such as anti-corruption representations, audit rights and termination rights for any violations of applicable anti-corruption laws. We repeat this process when existing contracts or relationships come up for renewal.

Additionally, we require biennial anti-corruption training for associates in several relevant job functions, including legal, finance, sales, business development, supply chain and logistics. Associates who undergo training must sign off on our Anti-Corruption Law Policy and receive a certificate of completion.