

W0. Introduction

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W0.1

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**(W0.1) Give a general description of and introduction to your organization.**

Zurn Elkay Water Solutions Corporation (Zurn Elkay), headquartered in Milwaukee, is a growth-oriented, pure-play water management business that designs, procures, manufactures, and markets what we believe to be the broadest sustainable product portfolio of specification-driven water management solutions to improve health, human safety and the environment. We took a significant step forward in our Clean Water mission when we acquired Elkay Manufacturing Company in July 2022. On July 1, 2022, the acquisition was completed following which we changed our name to "Zurn Elkay Water Solutions Corporation". Shares of our common stock continue to trade on the New York Stock Exchange under the ticker symbol "ZWS".

The combination of two industry leaders with complementary product lines and a shared focus on sustainability has made the new Zurn Elkay

Water Solutions an even stronger pure-play water company. Our product portfolio includes professional grade water safety and control products, flow system products, hygienic and environmental products, and drinking water products for public and private spaces that deliver superior value to building owners, positively impact the environment and human hygiene and reduce product installation time. Our heritage of innovation and specification has allowed us to provide highly-engineered, mission-critical solutions to customers for decades and affords us the privilege of having long-term, valued relationships with market leaders.

We operate in a disciplined way and the Zurn Elkay Business System ("ZEBS"), is our operating philosophy. Grounded in the spirit of continuous improvement, ZEBS creates a scalable, process-based framework that focuses on driving superior customer satisfaction and financial results by targeting world-class operating performance throughout all aspects of our business. Zurn Elkay is a leading provider of specification-driven water management solutions to the multi-billion dollar construction market of primarily commercial and institutional buildings and to a lesser extent to the waterworks and residential construction markets. Our strategy is to build Zurn Elkay around a strategic platform that participates in end markets with sustainable growth characteristics where we are, or have the opportunity to become, the industry leader. We have a track record of acquiring and integrating companies and expect to continue to pursue strategic acquisitions that will broaden our product lines, allow us to move into adjacent markets and expand our geographic presence. The demand for our products is primarily driven by new commercial and institutional building construction, the retrofit of existing structures (to make them more energy and water efficient) and, to a lesser extent, new infrastructure and residential construction. With our broad portfolio of products, we believe we have become a market leader in the industry by developing innovative products that meet stringent third-party regulatory, building, and plumbing code requirements and by subsequently achieving specification of our products into projects and applications. We are led by an experienced, high-caliber management team that employs ZEBS as a proven operating philosophy to drive excellence and worldclass performance in all aspects of our business, and which includes our "Voice of the Customer" process to promote superior customer satisfaction. Our physical footprint encompasses 40 principal manufacturing and warehouse facilities located primarily in North America. With this submittal, we are responding to the 2023 CDP Water Security, representing calendar year 2022 activity, as Zurn Elkay Water Solutions Corporation for the first time.

W0.2

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**(W0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date
Reporting year	January 1 2022	December 31 2022

W0.3

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**(W0.3) Select the countries/areas in which you operate.**

- Canada
- Mexico
- United States of America

W0.4

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**(W0.4) Select the currency used for all financial information disclosed throughout your response.**

- USD

W0.5

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**(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.**

- Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

No

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, a Ticker symbol	ZWS

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Not very important	Vital	Zurn Elkay does not use a significant amount freshwater directly in our manufacturing processes. However, quality amounts of freshwater are of vital importance to our customers (both industrial and commercial). We expect this demand to only increase in the future, as freshwater availability is declining due to climate change, increased urbanization, declining or poor water infrastructure, and other relevant factors. Our focus on innovation and continuous improvement of our water management products has helped us deliver breakthroughs that address many of today's most pressing sustainability water scarcity trends. For example, Zurn Elkay Water Solutions is the only manufacturer to offer a high-efficiency carrier and a 1.1 gallons per flush toilet system. With 31 percent water consumption savings over traditional 1.6 gallons per flush toilet systems, we deliver an industry leading line carry that no other manufacturer can match.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Important	Zurn Elkay's research and development (R&D) and engineering laboratories rely on recycled water for product development and to operate our testing facilities. Since 2014, we have operated the Zurn Innovation Center in Cary, NC. The 17,000-square-foot center facilitates product development, testing, quality control and system innovation of our finish plumbing products, while also recycling test water. For example, we will conduct product lifecycle testing of flush valves that include up to 28 valves that are each cycled 500,000 times. A lifecycle test of a ZER EZ Gear-Driven Flush Valve will recycle more than 17 million gallons of water. Similarly, lifecycle testing of Zurn Elkay's Aqua-FIT Sensor Faucets will include up to 32 units cycled 300,000 times. This testing will recycle more than two million gallons of water. In terms of our customers and the products we supply, water reuse and recycled water will become increasingly important to help meet growing water demands due to droughts and rising temperatures. Zurn Elkay Water Solutions continually invests in R&D to create clean technology water solutions that help our customers meet their water challenges and goals, with a team of more than 50 engineers dedicated to driving innovation and sustainability initiatives.

W1.2

**(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?**

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	100%	Quarterly	Employ a multi-tiered approach at facilities where facility general managers monitor and improve water consumption and intensity at sites and report their efforts to the corporate Environmental Health and Safety (EHS) staff. The COO, and EVP and VP of risk management, provide senior level oversight for EHS staff and facility general managers. Our ESG Steering Committee provides oversight of companywide water management efforts. This helps to identify and implement water reduction projects.	Zurn Elkay tracks total water withdrawals in terms of total volumes from all facilities.
Water withdrawals – volumes by source	100%	Quarterly		Zurn Elkay tracks all water withdrawals at the facilities are from the local water utility.
Entrained water associated with your metals & mining and/or coal sector activities - total volumes [only metals and mining and coal sectors]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Water withdrawals quality	Not monitored	<Not Applicable>	<Not Applicable>	
Water discharges – total volumes	100%	Quarterly		Zurn Elkay tracks total water discharges in terms of total volumes from all facilities.
Water discharges – volumes by destination	100%	Quarterly		Zurn Elkay tracks total water discharges in terms of total volumes from all facilities.
Water discharges – volumes by treatment method	Not monitored	<Not Applicable>	<Not Applicable>	
Water discharge quality – by standard effluent parameters	1-25	Quarterly		Zurn Elkay tracks water discharges by standard effluent parameters for some facilities.
Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)	Not monitored	<Not Applicable>	<Not Applicable>	
Water discharge quality – temperature	1-25	Quarterly		Temperature is required to be monitored by some production-related discharge permits.
Water consumption – total volume	100%	Quarterly		Zurn Elkay tracks total water consumption in terms of total volumes from all facilities.
Water recycled/reused	100%	Quarterly		Zurn Elkay tracks total water recycled or reused from all facilities.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Quarterly		We ensure that our facilities provide a safe, sanitary, and hygienic working environment for employees.

**W1.2b**

**(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?**

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	244.4	Much higher	Mergers and acquisitions	Lower	Increase/decrease in efficiency	Zurn Elkay withdrew 244.4 ML of water in 2022. Water withdrawals and use of water is not vital to Zurn Elkay considering our manufacturing operations are not water intensive. Zurn Elkay seeks to provide end-users with solutions that minimize water consumption and manage efficient use of water. In the future, we expect water discharges to decrease with increased efficiency measures.
Total discharges	213.3	Much higher	Mergers and acquisitions	Lower	Increase/decrease in efficiency	Zurn Elkay discharged 213.3 ML of water in 2022. In the future, we expect water discharges to decrease with increased efficiency measures.
Total consumption	31.1	Much higher	Mergers and acquisitions	Lower	Increase/decrease in efficiency	Zurn Elkay consumed 31.1 ML of water in 2022. The majority of our water consumption is the result of evaporation losses from the heated wash tanks at several of our manufacturing facilities. In the future, we expect water discharges to decrease with increased efficiency measures.

## W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
Row 1	Yes	1-10	Much lower	Mergers and acquisitions	About the same	Other, please specify (We do not anticipate significant changes in operating areas.)	WRI Aqueduct	Baseline water stress is determined via the WRI Aqueduct tool.

## W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	0	About the same	Mergers and acquisitions	Zurn Elkay does not withdraw any fresh surface water.
Brackish surface water/Seawater	Relevant	0	About the same	Mergers and acquisitions	Zurn Elkay does not withdraw any brackish surface water.
Groundwater – renewable	Relevant	0	About the same	Mergers and acquisitions	Zurn Elkay does not withdraw any renewable groundwater.
Groundwater – non-renewable	Relevant	0	About the same	Mergers and acquisitions	Zurn Elkay does not withdraw any non-renewable groundwater.
Produced/Entrained water	Relevant	0	About the same	Mergers and acquisitions	Zurn Elkay does not withdraw from produced water.
Third party sources	Relevant	244.4	Much higher	Mergers and acquisitions	Our 2022 total water withdrawal increased over 2021 by 199.8 ML due to our acquisition of Elkay Manufacturing in 2022, to become Zurn Elkay Water Solutions Corporation. All water is drawn from third party sources.

## W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water	Relevant	0	About the same	Mergers and acquisitions	
Brackish surface water/seawater	Relevant	0	About the same	Mergers and acquisitions	
Groundwater	Relevant	0	Lower	Mergers and acquisitions	
Third-party destinations	Relevant	213.3	Much higher	Mergers and acquisitions	Our 2022 total water discharges to third party destinations increased over 2021 by 182.8 ML due to our acquisition of Elkay Manufacturing in 2022, to become Zurn Elkay Water Solutions Corporation.

## W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	1580500000	244.4	6466857.61047463	

## W1.4

(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances	Comment
Row 1	No	Zurn Elkay's products do not contain substances classified as hazardous waste by any regulatory authority.

## W1.5

### W1.5) Do you engage with your value chain on water-related issues?

	Engagement	Primary reason for no engagement	Please explain
Suppliers	No	We are planning to do so within the next two years	Zurn Elkay engages suppliers using a self-assessment questionnaire. Historically this assessment has focused on environment, climate change, and other ESG issues. We plan to add a question around water management to the questionnaire.
Other value chain partners (e.g., customers)	Yes	<Not Applicable>	<Not Applicable>

### W1.5e

#### (W1.5e) Provide details of any water-related engagement activity with customers or other value chain partners.

##### Type of stakeholder

Customers

##### Type of engagement

Education / information sharing

##### Details of engagement

Share information about your products and relevant certification schemes

##### Rationale for your engagement

We collaborate with our customers to help them achieve sustainability goals in their building projects. One of the most important contributions we make to customers is delivering solutions that help them achieve building certification from industry-leading sustainability organizations.

##### Impact of the engagement and measures of success

Zurn Elkay is a member of the U.S. Green Building Council, which sponsors the LEED green building rating system. We design products that meet or exceed LEED standards—helping our customers achieve certification for their projects. For example, Zurn Omni-Flo™urinals provide 87% water consumption savings over traditional 1.0 gpfurinals, helping building owners exceed the LEED 30% threshold. These products help building owners achieve water efficiency LEED points to obtain certifications. We also incorporate feedback and input from customers directly into our product designs. As part of our overall commitments, we are a partner in the Environmental Protection Agency's WaterSense program.

##### Type of stakeholder

Customers

##### Type of engagement

Education / information sharing

##### Details of engagement

Share information about your products and relevant certification schemes

##### Rationale for your engagement

We are a member of the International WELL Building Institute, which sponsors the WELL Building Standard. This framework emphasizes building design elements that support people's health and wellness by focusing on the key concepts of air, water, nourishment, light, movement, thermal comfort, sound, materials, mind and community.

##### Impact of the engagement and measures of success

Zurn Elkay helps building owners achieve WELL Certification with a high-performance portfolio that advances human health and well-being in any facility type. We offer more than a dozen product categories that may contribute to WELL points for enhancing bathroom accommodations, reusing non-potable water and reducing surface contact. For example: To enhance our support of customers pursuing WELL Certification, we've created a dedicated product website that showcases Zurn Elkay products that may contribute to WELL points. This resource helps building owners quickly calculate the potential impact of choosing sustainable solutions from Zurn Elkay.

##### Type of stakeholder

Investors & shareholders

##### Type of engagement

Innovation & collaboration

##### Details of engagement

Collaborate with stakeholders on innovations to reduce water impacts in products and services

##### Rationale for your engagement

##### Impact of the engagement and measures of success

Per our Environmental and Sustainability Policy, we have a commitment to consult with relevant stakeholders on environmental issues and topics. In 2022, we formally reached out to our top 20 shareholders and provided them with an update on our sustainability program, receiving feedback and incorporating it into this report.

## W2. Business impacts

### W2.1

#### (W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations	Fines, enforcement orders, and/or other penalties	Comment
Row 1	No	<Not Applicable>	

W3. Procedures

W3.1

(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

	Identification and classification of potential water pollutants	How potential water pollutants are identified and classified	Please explain
Row 1	Yes, we identify and classify our potential water pollutants	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. The Zurn Elkay EMS includes standard procedures for identifying potential environmental risks at each facility, including air emissions, water sources and discharges, generated wastes, and spill potential. We modelled our approach after the ISO 14001 environmental planning section. It includes a matrix that assigns an environmental impact score to each identified aspect of a process within the facility, along with scoring to determine the significance of each risk. Our EMS also includes several additional elements in line with ISO 14001, including emergency preparedness and response, internal audit, management review, corrective action and continual improvement.	<Not Applicable>

W3.1a

(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

**Water pollutant category**

Other physical pollutants

**Description of water pollutant and potential impacts**

Single-use plastic water bottles which are not disposed properly could end up as waste, polluting natural resources including water.

**Value chain stage**

Product use phase

**Actions and procedures to minimize adverse impacts**

Other, please specify (Reduction of single-use plastic usage )

**Please explain**

Zurn Elkay's water bottle filling stations deliver cleaner, healthier water and have reduced the disposing of single-use plastic water bottles. Since 2012, 67 billion single-use plastic bottles have been avoided. This is equivalent to 426,000 metric tons of PET plastic waste avoided in 2022. Additionally, the filtered bottle filler units also reduce common drinking water contaminants including lead, cysts, chlorine, and sediment.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

**(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.**

**Value chain stage**

Direct operations

**Coverage**

Full

**Risk assessment procedure**

Water risks are assessed as part of an established enterprise risk management framework

**Frequency of assessment**

More than once a year

**How far into the future are risks considered?**

3 to 6 years

**Type of tools and methods used**

Tools on the market  
Enterprise risk management  
Databases

**Tools and methods used**

WRI Aqueduct  
Enterprise Risk Management

**Contextual issues considered**

Water availability at a basin/catchment level  
Water quality at a basin/catchment level  
Water regulatory frameworks

**Stakeholders considered**

Customers  
Employees  
Investors  
Local communities  
Suppliers

**Comment**

Zurn Elkay's Enterprise Risk Management (ERM) Committee conducts an enterprise-wide approach to anticipate, identify, prioritize and monitor risks that could significantly impact the achievement of our key business objectives. The ERM Committee, consisting of functional and platform leaders, meets quarterly and provides an annual ERM Program update to the company's Board of Directors.

Key risks, including water related risks (classified as Strategic, Operational, Reporting, or Compliance), comprising the Company's Risk Universe are prioritized based on the likelihood and magnitude ratings, applying a scale of 1 to 4 for each. The likelihood rating considers the potential for an underlying adverse event to prevent achievement of a key business objective based on incident frequency. The magnitude rating considers the estimated effect of an underlying adverse event on the Company's Earnings before Interest, Taxes, Depreciation, and Amortization (EBITDA). A magnitude rating of 4 (the highest) indicates that the expected financial impact of an individual risk would be in excess of \$15 million of EBITDA with a magnitude rating of 1 representing a financial impact of less than \$5 million of EBITDA. The final score of 1 to 16 (based on multiplying the likelihood by the magnitude rating) determines the prioritization of the respective key risks.

We use the WRI Aqueduct Water Risk Atlas Tools to conduct water sensitivity analyses and communicate risks relative to water availability and water stressed areas. The tool is used to identify which Zurn Elkay facilities located in regions that are experiencing high and extremely high water stress.

Annually, the ERM Committee formally updates the key risks and ratings within the Risk Universe, incorporating input from the Company's strategic planning process.

**W3.3b**

**(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.**

	Rationale for approach to risk assessment	Explanation of contextual issues considered	Explanation of stakeholders considered	Decision-making process for risk response
Row 1	As a company focused on effective, safe, and efficient water management, we've developed solutions that help manage this most-important natural resource – water. Zurn Elkay's Environmental Management System (EMS) is part of our risk management process, and this system provides a strong foundation for identifying the company's environmental impacts, managing identified risks, complying with regulatory requirements, and enabling continuous improvement.	Within our EMS we assess water withdrawals, discharges, and water stress in our risk management procedures. As such we track facility water usage (withdrawal, discharge, consumption, reuse), and evaluate this at the corporate level as part of our overall sustainability strategy and Enterprise Risk Management (ERM) process.	The risk management process is in alignment with our business vision and all our stakeholders expect it from us. Whenever required, the corporate risk management and external communications teams work together to engage customer, community members, elected officials, and media on such environmental issues.	Zurn Elkay's director of EH&S oversees the management of the EMS program and audits. There is data collection on findings to develop action plans and corrective actions which is aimed at continuous improvement. Zurn Elkay uses the WRI Aqueduct Tool along with actual water consumption at each facility to inform our strategy and as part of our risk identification process.

**W4. Risks and opportunities**

**W4.1**

**(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes, only within our direct operations

**W4.1a**

**(W4.1a) How does your organization define substantive financial or strategic impact on your business?**

Zurn Elkay Water Solution’s Enterprise Risk Management (ERM) Committee conducts an enterprise-wide approach to anticipate, identify, prioritize and monitor risks that could significantly impact the achievement of our key business objectives. The ERM Committee, consisting of functional and platform leaders, meets quarterly and provides an annual ERM Program update to the company’s Board of Directors. Additionally, Zurn Elkay hired a third-party consulting firm to conduct a climate risk assessment, aligned with the TCFD framework in 2022 to identify transition and physical risks and opportunities that may have significant financial impact on the business.

Under the TCFD framework, water-related risks including water stress and flooding are categorized under physical risks and the risks are scores from 0 to 5. These risks could impact our business financially. Annually, the ERM Committee formally updates the key risks and ratings within the Risk Universe, incorporating input from the Company’s strategic planning process.

Additionally, many of our customers are interested in water-saving and low water use products. As such, Zurn Elkay offers many products to meet these customer requirements.

**W4.1b**

**(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?**

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	9	26-50	Zurn Elkay has four facilities that are located in areas with extremely high Baseline Water Stress and five facilities that are located in areas with high Baseline Water Stress according to the WRI Water Risk Atlas tool, Aqueduct. These facilities have a higher exposure to water risks with the potential to have a substantive financial or strategic impact on our business.

**W4.1c**

**(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?**

**Country/Area & River basin**

United States of America	Colorado River (Pacific Ocean)
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**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company’s annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company’s global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company’s total global revenue that could be affected**

1-10

**Comment**

Our Phoenix Arizona facility (Facility 1) receives water from the Salt River, which is a tributary of the Gila River, in east-central Arizona, U.S. The Salt River is formed at the confluence of the Black and White rivers on a plateau in eastern Gila County. It flows 200 miles (320 km) in a westerly direction and empties into the Gila River 15 miles (24 km) west-southwest of Phoenix. The Salt River and its main tributary, the Verde River, are part of the Colorado River drainage basin.

**Country/Area & River basin**

United States of America	Salinas
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**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**



<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

1-10

**Comment**

Our Paso Robles, CA facility (Facility 2) relies on the Salinas River corridor.

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**Country/Area & River basin**

United States of America	Other, please specify (Lytle Basin, Rialto Basin, and Chino Basin)
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**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

1-10

**Comment**

Our Fontana, CA facility's water supply (Facility 3) is produced from Lytle Creek surface flow, and from wells in the Lytle Basin, Rialto Basin, Chino Basin, and another groundwater basin known as No Man's Land.

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**Country/Area & River basin**

United States of America	Trinity River (Texas)
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**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

1-10

**Comment**

Our Carrollton, Texas facility (Facility 4) receives water from the Trinity River Basin.

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**Country/Area & River basin**

United States of America	Cape Fear River
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**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

1-10

**Comment**

Our Sanford, NC facility (Facility 5) receives water from the Cape Fear River.

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**Country/Area & River basin**

Canada	Nelson River
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**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

1-10

**Comment**

Our Calgary facility in Canada (Facility 6) is in the Nelson River Basin. Water in Calgary is received from the Bow River in Alberta, Canada. It begins within the Canadian Rocky Mountains and winds through the Alberta foothills onto the prairies, where it meets the Oldman River, the two then forming the South Saskatchewan River. These waters ultimately flow through the Nelson River into Hudson Bay.

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**Country/Area & River basin**

Please select

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

1-10

**Comment**

Av Promocion Facility in Mexico (Facility 7)

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**Country/Area & River basin**

Please select

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

1-10

**Comment**

Ringgold Facility (Facility 8)

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**Country/Area & River basin**

Please select

**Number of facilities exposed to water risk**

1

**% company-wide facilities this represents**

1-25

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

<Not Applicable>

**% company's total global revenue that could be affected**

1-10

**Comment**

Stockton Facility (Facility 9)

**W4.2**

**(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

**Country/Area & River basin**

United States of America	Colorado River (Pacific Ocean)
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**Type of risk & Primary risk driver**

Acute physical	Drought
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**Primary potential impact**

Increased operating costs

**Company-specific description**

Six of Zurn Elkay's facilities were identified to be at a high/moderate flood risk to flooding today are projected to experience an increase in flooding with climate change, as heavy precipitation increases, and intermittent droughts lead to increased runoff.

**Timeframe**

1-3 years

**Magnitude of potential impact**

Medium-low

**Likelihood**

Likely

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

500000

**Potential financial impact figure - maximum (currency)**

1000000

**Explanation of financial impact**

Zurn Elkay has identified that droughts/floods can have financial implications due to temporary building closures, leading to increase in operating costs due to repairs to damaged building and equipment. Additionally, there may be loss of revenue due to downtime because of building closures, blocked access to roads and downed trees, and impact on electricity and communications.

**Primary response to risk**

Greater due diligence

**Description of response**

This is a physical risk due to changes in climate that could potentially produce unusual variations in temperature and weather patterns, resulting in more intense, frequent, and extreme weather events, such as droughts and floods. Insurance can assist with recovering loss. This information will be used to calculate total financial impact due to a water-related event. Zurn Elkay has identified insurance as a strategy to reduce realized losses due to severe weather events. The insurance deductible is \$500,000 to \$1M.

**Cost of response**

500000

**Explanation of cost of response**

N/A

**W4.2c**

**(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?**

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Given our environmental risk assessment of our operations, supply chain disruptions resulting from the impacts of water risks are not anticipated to have a substantial direct impact on our business. However, we are aware that significant disruptions to global supply chains could occur. As such, we have implemented supplier monitoring including supplier self-assessments and periodic physical audits as part of a proactive strategy to avoid these risks and reduce potential impacts. Historically these self-assessments have focused on climate change and other ESG issues but we are planning to add a question on water.

**W4.3**

**(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes, we have identified opportunities, and some/all are being realized

**W4.3a**

**(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.**

**Type of opportunity**

Products and services

**Primary water-related opportunity**

Other, please specify (Improved user experience)

**Company-specific description & strategy to realize opportunity**

Zurn Elkay offers a range of products that, individually, help slow the spread of germs on the product and create a cleaner user experience – including touchless faucets, sensor flush valves and hand dryers. We saw an opportunity to enhance those features by combining touchless products and digital solutions to create the ultimate hygienic ecosystem. This is especially important as workers return to office buildings and children to schools.

**Estimated timeframe for realization**

1 to 3 years

**Magnitude of potential financial impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

18400000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact**

Zurn Elkay has increased revenues through access to new markets while using existing products and strategy informed by shift in consumer preferences. The cost to realize opportunities is a function of the company's total research, development and engineering (RDE) spend. As reported in the company's CY2022 Securities and Exchange Commission (SEC) Form 10-K, the company's total RDE spend in CY2022 was \$18.4M. The cost to realize this or any opportunity would only be a portion of that total spend.

**Type of opportunity**

Products and services

**Primary water-related opportunity**

Sales of new products/services

**Company-specific description & strategy to realize opportunity**

Specializing in water management strengthens our position as an innovative, sustainable and responsible global company. Our team is focused on designing products that save more water, keep water safe and clean, reduce the resources needed to manufacture and ultimately protect our environment. The sale of new Zurn Elkay products is driven by our innovation centers and R&D and aims to develop several new products in the coming years.

**Estimated timeframe for realization**

Current - up to 1 year

**Magnitude of potential financial impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

7900000

**Potential financial impact figure – maximum (currency)**

23700000

**Explanation of financial impact**

Zurn Elkay has positioned itself favourably to adapt to changing regulations, climate and infrastructure conditions while also investing in clean tech innovation and R&D to capitalize on the growing market for sustainable products with a focus on water efficiency and expects to grow organically by one (1) to three (3) percent through 2025. Roughly half of this growth (0.5-percent to 1.5-percent) is expected to be directly related to the climate change trends and development of new products through R&D and innovations. As such the financial impact figures are based on 0.5-percent to 1.5-percent growth applied to the 2022 revenue of \$1,580.5 Million, which ranges from 7.9 million to 23.7 million.

**Type of opportunity**

Efficiency

**Primary water-related opportunity**

Improved water efficiency in operations

**Company-specific description & strategy to realize opportunity**

As a pure play water company, we have identified solutions in our operations to save water during the product development, testing, quality control and system innovation of our finish plumbing products. For example, in the Zurn Elkay's Innovation Center in Cary, NC, we conduct product lifecycle testing of flush valves that include up to 28 valves that are each cycled 50,000 times. A lifecycle test of a ZER EZ Gear-Driven Flush Valve will recycle more than 17 million gallons of water. Similarly, lifecycle testing of Zurn Elkay Aqua-FIT Sensor Faucets will include up to 32 units cycled 300,000 times. This testing will recycle more than two million gallons of water. Additionally, since 2019, our Erie lab recycled more than 98 percent of all test water—equal to more than 17 million gallons of water recycled. This totals over 36 million gallons of water recycled.

**Estimated timeframe for realization**

Current - up to 1 year

**Magnitude of potential financial impact**

Unknown

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure – minimum (currency)**

81000

**Potential financial impact figure – maximum (currency)**

117000

**Explanation of financial impact**

The water volume charge per 1,000 gallons varies by location and utility contract, but we have estimated the cost is \$2.25 to \$3.25 for each 1,000 gallons consumed for water. As such, saving 36 million gallons of water is estimated to save \$81,000 to \$117,000.

**Type of opportunity**

Products and services

**Primary water-related opportunity**

Other, please specify (Reduced water usage and consumption)

**Company-specific description & strategy to realize opportunity**

Our focus on innovation and continuous improvement of our products has helped us deliver breakthroughs that address water consumption and efficiency of water use. Water conservation is a cornerstone of our business and Zurn Elkay offers products that can help buildings be more water efficient. Zurn Elkay is proud to have more than 850 faucet, toilet, flush valve and urinal models stamped with the WaterSense label. Being WaterSense certified means products use at least 20% less water than regular models. Zurn Elkay's One Low-Flow Fixture and Carrier Systems have paired performance to deliver optimal flushing performance and waste line carry. Zurn Elkay is the only manufacturer to offer a high-efficiency carrier and a 1.1 gallons per flush toilet system. With 31 percent water consumption savings over traditional 1.6 gallons per flush toilet systems, we deliver an industry - leading line carry. Likewise, our Sensor Faucets and Flush Valves conserve water with ultra-low flow rates which Zurn Elkay provides at some of the lowest cost of ownership on the market.

**Estimated timeframe for realization**

Current - up to 1 year

**Magnitude of potential financial impact**

Medium-high

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

48500000

**Potential financial impact figure – minimum (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure – maximum (currency)**

&lt;Not Applicable&gt;

**Explanation of financial impact**

Recent sales figures associated with our WaterSense products. It is expected that revenues from this product line increase as customers transition to products that help conserve water

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## W5.1

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(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

**Facility reference number**

Facility 1

**Facility name (optional)**

USA - AZ - 3602 W Washington St, Phoenix

**Country/Area & River basin**

United States of America	Colorado River (Pacific Ocean)
--------------------------	--------------------------------

**Latitude**

33.448482

**Longitude**

-112.137158

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

0.81

**Comparison of total withdrawals with previous reporting year**

Lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

0.81

**Total water discharges at this facility (megaliters/year)**

0.73

**Comparison of total discharges with previous reporting year**

Lower

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

0.73

**Total water consumption at this facility (megaliters/year)**

0.08

**Comparison of total consumption with previous reporting year**

Higher

**Please explain**

Our 2022 water usage increased over 2021. The majority of our net water consumption is the result of evaporation losses from the heated wash tanks.

---

**Facility reference number**

Facility 2

**Facility name (optional)**

USA - CA - 1747 Commerce Way, Paso Robles

**Country/Area & River basin**

United States of America	Salinas
--------------------------	---------

**Latitude**

35.60996

**Longitude**

-120.652974

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

1.42

**Comparison of total withdrawals with previous reporting year**

Lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

1.42

**Total water discharges at this facility (megaliters/year)**

1.14

**Comparison of total discharges with previous reporting year**

Lower

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

1.14

**Total water consumption at this facility (megaliters/year)**

0.28

**Comparison of total consumption with previous reporting year**

Higher

**Please explain**

Water withdrawn is discharged to a third-party destination or used for irrigation.

**Facility reference number**

Facility 3

**Facility name (optional)**

USA - CA - 14650 Miller Ave, Fontana

**Country/Area & River basin**

United States of America	Other, please specify (Lytle Basin, Rialto Basin, and Chino Basin)
--------------------------	--

**Latitude**

34.115255

**Longitude**

-117.484035

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

11.5

**Comparison of total withdrawals with previous reporting year**

Lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

11.5

**Total water discharges at this facility (megaliters/year)**

0.51

**Comparison of total discharges with previous reporting year**

Lower

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

0.51

**Total water consumption at this facility (megaliters/year)**

10.99

**Comparison of total consumption with previous reporting year**

About the same

**Please explain**

Water withdrawn is discharged to a third-party destination or used for irrigation

**Facility reference number**

Facility 4

**Facility name (optional)**

USA - TX - 2055 Luna Rd, Carrollton

**Country/Area & River basin**

United States of America	Trinity River (Texas)
--------------------------	-----------------------

**Latitude**

32.934527

**Longitude**

-96.9241

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

0.31

**Comparison of total withdrawals with previous reporting year**

Higher

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0



Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

0.31

Total water discharges at this facility (megaliters/year)

0.31

Comparison of total discharges with previous reporting year

Higher

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

0.31

Total water consumption at this facility (megaliters/year)

0

Comparison of total consumption with previous reporting year

About the same

Please explain

Water withdrawn is discharged to a third-party destination.

---

Facility reference number

Facility 5

Facility name (optional)

USA - NC - 5900 Elwin Buchanan Dr, Sanford

Country/Area & River basin

United States of America	Cape Fear River
--------------------------	-----------------

Latitude

35.554526

Longitude

-79.18254

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

2.5

Comparison of total withdrawals with previous reporting year

Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

2.5

**Total water discharges at this facility (megaliters/year)**

2.5

**Comparison of total discharges with previous reporting year**

Higher

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

2.5

**Total water consumption at this facility (megaliters/year)**

0

**Comparison of total consumption with previous reporting year**

About the same

**Please explain**

Water withdrawn is discharged to a third-party destination.

---

**Facility reference number**

Facility 6

**Facility name (optional)**

CAN - AB - 2550 61st Ave SE, Calgary

**Country/Area & River basin**

Canada	Nelson River
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**Latitude**

50.999605

**Longitude**

-113.999618

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

1.5

**Comparison of total withdrawals with previous reporting year**

Higher

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

1.5

**Total water discharges at this facility (megaliters/year)**

1.35

**Comparison of total discharges with previous reporting year**

Higher

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

1.35

**Total water consumption at this facility (megaliters/year)**

0.15

**Comparison of total consumption with previous reporting year**

Higher

**Please explain**

Water consumption is due to evaporation losses from heated wash tanks

---

**Facility reference number**

Facility 7

**Facility name (optional)**

Av Promocion No 120 Zona Industrial No 1, San Luis Potosi

**Country/Area & River basin**

Please select

**Latitude**

22.155

**Longitude**

-100.978

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

1.99

**Comparison of total withdrawals with previous reporting year**

This is our first year of measurement

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

1.79

**Total water discharges at this facility (megaliters/year)**

1.79

**Comparison of total discharges with previous reporting year**

This is our first year of measurement

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

1.79

**Total water consumption at this facility (megaliters/year)**

0.19

**Comparison of total consumption with previous reporting year**

This is our first year of measurement

**Please explain**

Water consumption is due to evaporation losses from heated wash tanks.

---

**Facility reference number**

Facility 8

**Facility name (optional)**

2000 Cane Creek Parkway, Ringgold

**Country/Area & River basin**

Please select

**Latitude**

36.599

**Longitude**

-79.312

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**

0.25

**Comparison of total withdrawals with previous reporting year**

This is our first year of measurement

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

0

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

0.25

**Total water discharges at this facility (megaliters/year)**

0.25

**Comparison of total discharges with previous reporting year**

This is our first year of measurement

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

0.25

**Total water consumption at this facility (megaliters/year)**

0

**Comparison of total consumption with previous reporting year**

This is our first year of measurement

**Please explain**

Water withdrawn is discharged to a third-party destination.

---

W5.1a

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(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?

**Water withdrawals – total volumes**

**% verified**  
Not verified

**Verification standard used**  
<Not Applicable>

**Please explain**

**Water withdrawals – volume by source**

**% verified**  
Not verified

**Verification standard used**  
<Not Applicable>

**Please explain**

**Water withdrawals – quality by standard water quality parameters**

**% verified**  
Not verified

**Verification standard used**  
<Not Applicable>

**Please explain**

**Water discharges – total volumes**

**% verified**  
Not verified

**Verification standard used**  
<Not Applicable>

**Please explain**

**Water discharges – volume by destination**

**% verified**  
Not verified

**Verification standard used**  
<Not Applicable>

**Please explain**

**Water discharges – volume by final treatment level**

**% verified**  
Not verified

**Verification standard used**  
<Not Applicable>

**Please explain**

**Water discharges – quality by standard water quality parameters**

**% verified**  
Not verified

**Verification standard used**  
<Not Applicable>

**Please explain**

**Water consumption – total volume**

**% verified**  
Not verified

**Verification standard used**  
<Not Applicable>

**Please explain**

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**W6. Governance**

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**W6.1**

**(W6.1) Does your organization have a water policy?**

Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	<p>Description of business impact on water</p> <p>Commitment to stakeholder education and capacity building on water security</p> <p>Commitment to water stewardship and/or collective action</p> <p>Recognition of environmental linkages, for example, due to climate change</p>	<p>As a pure-play water management company, our business model depends on water. Our Environmental and Sustainability Policy outlines our enterprise-wide commitment to innovative water solutions from the products we provide to our customers to our relentless focus on our own resource efficiency. The policy states: Our products, solutions and services are designed to help our customers conserve resources through the reduction of water, energy, and paper usage; meet and exceed regulatory compliance; and ensure the safety of those who use them. Zurn Elkay Water Solutions is committed to the ongoing research and development of sustainably inspired products and clean technology, which allows for our customers to conserve water and reduce energy usage. We also recognize the importance of responsibly managing and reducing our own environmental impacts and will work to measure, monitor, and continuously reduce our energy and water consumption, transition to sustainable energy sources and reduce carbon emissions, and continuously reduce waste from our facilities.</p>

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual or committee	Responsibilities for water-related issues
Board Chair	The Chair of the ESG Committee is a member of the Board of Directors and has oversight of all parts of Zurn Elkay operations, oversees Zurn Elkay's strategy planning process, which includes responsibility for water-related issues. The Board Chair ensures appropriate attention and availability of resources to address Zurn Elkay's water risk management and opportunities including development and marketing of our water management products. Our business strategy, risk management, and reputation are intricately linked to both climate- and water-related issues. An example of a Board decision includes developing and publishing specific ESG related targets, including commitments to achieve 40 billion gallons of water saved annually through the use of our products by 2024.
Board-level committee	The Board of Directors ESG Committee oversees company management's ESG-related efforts, including creation of ESG initiatives, plans and policies, performance on ESG initiatives, and response to stockholder proposals on ESG matters and other significant ESG-related stakeholder concerns. Specific responsibilities of the Board-level Committee include, but are not limited to, oversight of ESG risks and opportunities, including those related to water risk, and managing performance and long-term success towards our water commitments. The Committee meets at least twice throughout the year and more frequently as deemed necessary to fulfil its responsibilities pertaining to ESG matters and oversight. An example of a recent Committee decision includes joining the UN Global Compact, which reaffirms Zurn Elkay's commitment to universal principles on human rights, labor, anti-corruption and the environment. 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.

W6.2b

**(W6.2b) Provide further details on the board’s oversight of water-related issues.**

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - all meetings	Monitoring implementation and performance Overseeing acquisitions, mergers, and divestitures Overseeing major capital expenditures Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing innovation/R&D priorities	Zurn Elkay’s Board of Directors oversees the company’s Enterprise Risk Management (ERM) process, and has input on product innovation and priorities which involves annual risk assessments, management evaluation and management of key risks to the business and periodic reporting to the Board regarding the most significant risks to the company’s business. Physical risks related to climate change are integrated in our business continuity and disaster recovery planning process, which is reviewed at least annually by the Board. The Board also approved new governance policies that reflect our commitments, with streamlined reporting that provides increased transparency for our shareholders and other stakeholders, in addition to reviewing Zurn Elkay’s annual Sustainability Report and program initiatives. The Board periodically receives updates on our sustainability performance.

**W6.2d**

**(W6.2d) Does your organization have at least one board member with competence on water-related issues?**

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues	Primary reason for no board-level competence on water-related issues	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1	Yes	As a pure-play water management company, having a Board of Directors that understands water-related issues is vital. David Longren provides a wealth of knowledge in general business leadership, innovation and product development. A former Vice President and Chief Technology Officer for Polaris, David brings both technological prowess, along with a deep understanding of Zurn’s business, and is an expert in innovation, risk and audit. As a water management company, David Longren serves a vital role in managing the relationship of the Board’s ESG efforts to water-related risks, opportunities, and impacts.	<Not Applicable>	<Not Applicable>

**W6.3**

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

**Name of the position(s) and/or committee(s)**

Sustainability committee

**Water-related responsibilities of this position**

Assessing water-related risks and opportunities  
Managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

More frequently than quarterly

**Please explain**

Zurn Elkay Water Solutions' executives manage ESG-related matters through the ESG Internal Steering Committee. Our Steering Committee is made up of a cross functional group of leaders that are dedicated to improving ESG related objectives and deploying ESG-related goals. This committee is comprised of functional heads and establishes policies that reflect the company's commitments and is tasked with streamlining reporting for stakeholders. The ESG Steering Committee and senior business leaders are responsible for critical aspects of our sustainability initiatives, performance, and long-term success with particular focus on water-related topics.

**Name of the position(s) and/or committee(s)**

Chief Executive Officer (CEO)

**Water-related responsibilities of this position**

Assessing future trends in water demand  
Assessing water-related risks and opportunities  
Managing water-related risks and opportunities  
Other, please specify (Acquisitions)

**Frequency of reporting to the board on water-related issues**

Quarterly

**Please explain**

Our CEO has ultimate responsibility for aligning Zurn Elkay's long-term business strategy with climate- and water-driven market conditions in the water technology industry. The successful implementation of our business strategy requires us to continuously evolve our existing products and introduce new products to meet customers' needs in the industries we serve. Our products are characterized by stringent performance and specification requirements that mandate a high degree of manufacturing and engineering expertise. Our strategy is to build Zurn Elkay around a strategic platform that participates in end markets with sustainable growth characteristics where we are, or have the opportunity to become, the industry leader. We have a track record of acquiring and integrating companies and expect to continue to pursue strategic acquisitions that will broaden our product lines, allow us to move into adjacent markets and expand our geographic presence.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	No, not currently but we plan to introduce them in the next two years	

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

No

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)

2022-annual-report.pdf

W7. Business strategy

W7.1



**(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	5-10	We are a growth-oriented, pure-play water management business and our long-term business strategy is to design, procure, manufacture, and market the broadest sustainable product portfolio of specification driven water management solutions to improve health, human safety and the environment. Zurn's heritage of innovation and specification have allowed us to provide highly engineered, mission-critical solutions to customers for decades and affords us the privilege of having long-term, valued relationships with market leaders. We operate in a disciplined way and the Zurn Elkay Business System ("ZEBS") is our operating philosophy. Acquisitions are also part of our long-term growth strategy, and we have completed several in the last few years.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	Our strategy for achieving long-term objectives is to continuously evolve our existing water products and introduce new water products to meet customers' needs in the industries we serve. We believe that our customers rigorously evaluate their suppliers on the basis of a number of factors, including product quality, price competitiveness, technical and manufacturing expertise, development and product design capability, new product innovation, reliability and timeliness of delivery, operational flexibility, customer service and overall management. Our ongoing success depends on our ability to continue to meet our customers' changing specifications with respect to these criteria.
Financial planning	Yes, water-related issues are integrated	5-10	Grounded in the spirit of continuous improvement, ZBS creates a scalable, process-based framework that focuses on driving superior customer satisfaction and resultant financial results by targeting world-class operating performance throughout all aspects of our water management product business.

**W7.2**

**(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?**

**Row 1**

**Water-related CAPEX (+/- % change)**

-67.4

**Anticipated forward trend for CAPEX (+/- % change)**

**Water-related OPEX (+/- % change)**

34.6

**Anticipated forward trend for OPEX (+/- % change)**

**Please explain**

As reported in our annual 10K, we invested \$7.6 million in capital expenditures in the year ended December 31, 2022, compared to \$23.3 million in the year ended December 31, 2021. This is a 67.4 percent decrease on CAPEX year-over-year. We also incurred a 34% increase in our operating expenditure of \$358.4 million in the year ended December 31, 2022 as compared to \$266.2 million in the year ended December 31, 2021.

As a pure play water management company, we are using these CAPEX and OPEX numbers to reflect water-related expenditures.

**W7.3**

**(W7.3) Does your organization use scenario analysis to inform its business strategy?**

	Use of scenario analysis	Comment
Row 1	Yes	Zurn Elkay has conducted TCFD climate scenario analysis to analyze the risks the company is exposed to. The TCFD results will be incorporated into the company's ERM process.

**W7.3a**

**(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.**

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Climate-related	The Company has 34 facilities in the United States, Mexico, and Canada analysed in the TCFD analysis and reports that operations have been affected by severe weather including hurricanes, floods, snowstorms, and other inclement conditions. These events can cause property damage, production disruptions in manufacturing facilities, and delivery disruptions of goods and services. There is an awareness that these risks may increase in response to climate change. The Company reports that operations are decentralized, suggesting that an event is anticipated to have isolated impact on the overall business. It is recognized by the Company that climate change may increase the frequency and severity of the events over time resulting in cumulative risk with multiple locations affected simultaneously. These impacts may materially and adversely affect the cost, production, and financial performance of Company operations. Climate opportunities are inherent in several of Zurn Elkay's product lines (e.g., over 850 products with EPA WaterSense certification, indicating at least 20% less water used as compared to standard products), and therefore climate-related issues are regularly integrated in the review of the business strategy and investment planning. Zurn Elkay is resilient to different climate scenarios because we have conducted scenario analysis specific to our and our critical facilities and has also identified opportunities for growth on specific products.	The potential physical risks or water-related outcomes was facilities under risk due to riverine flooding. Heavy precipitation can lead to pluvial flooding when facility stormwater drainage systems are under capacity and/or ponding of water occurs due to the land terrain.	The company's business continuity plans outline the response process to business interruption (including climate-related risks and opportunities) to assure critical processes and services are maintained and proactively adapt to the changing market and organically grow market share of sustainable products. Additionally, Zurn Elkay Supplier Management Council regularly reviews supplier risks, monthly performances, and audit results to manage the risk of noncompliance and engages the supplier and review their plan to reach compliance. If their efforts are unsuccessful, Zurn Elkay evaluates the business relationship and take appropriate corrective action, which may include further training, a formal development project to reach compliance, cancellation of a purchase order or termination of the business relationship. In 2022, Zurn Elkay appointed a new Supply Chain Risk Management team to identify mitigation strategies and provide more focus to address supplier and material risk. The mitigation strategies may include approving multiple sources of supply, where available, employing unique stocking strategies for key materials, near shoring of major components to minimize supply risk and Business continuity and supplier development plans

**W7.4**

**(W7.4) Does your company use an internal price on water?**

Row 1

**Does your company use an internal price on water?**

No, but we are currently exploring water valuation practices

**Please explain**

While water-related issues drive our long-term business objectives, strategy, and financial planning as a water management product business, our internal consumption of water is extremely low. As such we are only exploring water valuation practices currently.

**W7.5**

**(W7.5) Do you classify any of your current products and/or services as low water impact?**

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	Yes	Low water impact is defined as products that contribute to the sustainable use and protection of water and marine resources and products that support climate change adaptation, such as technological products for managing water usage and water conservation products that help to reduce water usage and save water.	<Not Applicable>	Our definition is derived from the European Unions (EU's) Taxonomy Regulation, which provides a classification system for sustainable activities and can be used as guidance for defining products with sustainable attributes - such as low water impact products.

**W8. Targets**

**W8.1**

**(W8.1) Do you have any water-related targets?**

Yes

**W8.1a**

**(W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.**

	Target set in this category	Please explain
Water pollution	No, and we do not plan to within the next two years	
Water withdrawals	No, and we do not plan to within the next two years	
Water, Sanitation, and Hygiene (WASH) services	No, and we do not plan to within the next two years	
Other	Yes	<Not Applicable>

W8.1b

(W8.1b) Provide details of your water-related targets and the progress made.

Target reference number

Target 1

Category of target

Product use phase

Target coverage

Other, please specify (Product use phase)

Quantitative metric

Other, please specify (Water saved through the use of our products (Billion gallons of water))

Year target was set

2021

Base year

2021

Base year figure

34

Target year

2024

Target year figure

40

Reporting year figure

32

% of target achieved relative to base year

-33.33333333333333

Target status in reporting year

Underway

Please explain

Efficient water management has never been more important. Two - thirds of the world's population experiences water scarcity at least one month of the year, and the ongoing climate crisis is likely to exacerbate this problem. We believe we have a duty to develop resource -efficient products that conserve as much water as possible. Conservation is a cornerstone of our business: Zurn Elkay products saved 32 billion gallons of water in 2022. We aim to increase that figure to 40 billion gallons saved by 2024

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

No, but we are actively considering verifying within the next two years

W10. Plastics

W10.1

(W10.1) Have you mapped where in your value chain plastics are used and/or produced?

	Plastics mapping	Value chain stage	Please explain
Row 1	Yes	Direct operations Product use phase	We sell products made out of plastics including PEX pipes, plastic partitions, and plastic trench.

W10.2

**(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?**

	Impact assessment	Value chain stage	Please explain
Row 1	Yes	Product use phase	Zurn Elkay's water bottle filling stations deliver cleaner, healthier water and reduce the large environmental footprint of creating, distributing, and disposing of single-use plastic water bottles. Since 2012, 67 billion single-use plastic bottles have been avoided. This is equivalent to 1.72 million metric tons of CO2e emissions, and 426,000 metric tons of PET plastic waste avoided in 2022

**W10.3**

**(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.**

	Risk exposure	Value chain stage	Type of risk	Please explain
Row 1	Not assessed – and we do not plan to within the next two years	<Not Applicable>	<Not Applicable>	

**W10.4**

**(W10.4) Do you have plastics-related targets, and if so what type?**

	Targets in place	Target type	Target metric	Please explain
Row 1	Yes	Other	Other, please specify (Prevent the use of plastic goods)	Zurn Elkay has set a target to prevent the use of at least 15 billion disposable plastic bottles per year through consumer use of our drinking water products.

**W10.5**

**(W10.5) Indicate whether your organization engages in the following activities.**

	Activity applies	Comment
Production of plastic polymers	No	
Production of durable plastic components	Yes	Zurn Elkay manufactures products such as PEX piping systems for plumbing and heating and other components.
Production / commercialization of durable plastic goods (including mixed materials)	No	
Production / commercialization of plastic packaging	No	
Production of goods packaged in plastics	No	
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	No	

**W10.7**

**(W10.7) Provide the total weight of plastic durable goods/components sold and indicate the raw material content.**

**Row 1**

**Total weight of plastic durable goods/components sold during the reporting year (Metric tonnes)**

14976

**Raw material content percentages available to report**

% virgin fossil-based content

**% virgin fossil-based content**

11

**% virgin renewable content**

<Not Applicable>

**% post-industrial recycled content**

<Not Applicable>

**% post-consumer recycled content**

<Not Applicable>

**Please explain**

11% virgin fossil fuel material used and 89% virgin renewable content. Zurn Elkay plastic PEX fitting, plastic trench and plastic partitioners use recycled materials.

**W11. Sign off**

W-FI

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(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

W11.1

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(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Sustainability Manager	Environment/Sustainability manager

Submit your response

---

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

No

Please confirm below

I have read and accept the applicable Terms