



## Annual Communication on Progress (CoP)

Time Period Covered: January 2024 – December 2024

*Zurn Elkay Water Solutions Corporation*

*July 2025*

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# Statement of Continued Support from Our CEO

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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 2024, and we are guided by a comprehensive and uniform sustainability strategy led by our Board-level Sustainability Committee. We have focused intensely in recent years on addressing climate-related risks, which includes our alignment with the Global Compact, by setting actionable targets, and transitioning from the TCFD Recommendations to the IFRS Sustainability Disclosure Standards, among other efforts. However, our sustainability 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*. Addressing water-related crises is central to our sustainability strategy and essential to how we drive the Zurn Elkay business forward. 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 committed to sharing this information with our stakeholders using our primary channels of communication and have communicated these efforts in our 2024 Sustainability Report.

Sincerely,



Todd A. Adams  
Chairman and CEO  
Zurn Elkay Water Solutions

# Governance

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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. The Zurn Elkay Board of Directors represents our shareholders while ensuring sound, proper governance. An experienced Board, it is composed of accomplished professionals with diverse backgrounds and expertise, benefits the company and shareholders. We currently have 40% diverse representation on our Board, and nine out of the ten directors are independent under applicable New York Stock Exchange rules. We achieved our goal of 30% gender diversity on our Board of Directors in 2023, one year ahead of our target date. Four Board committees oversee specific functions at Zurn Elkay including Audit, Compensation, Nominating and Corporate Governance and Sustainability.
- **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. Our governance and implementation strategy embeds sustainability practices across Zurn Elkay. Oversight of this strategy is shared by The Board of Directors and our executives share oversight of this strategy and communicate it to associates through policies that guide everyday work. The Board's Sustainability Committee sets policy, monitors performance and responds to sustainability-related issues that affect shareholders and other stakeholders. The committee's responsibilities include monitoring performance on sustainability-related initiatives, reporting on sustainability activities and responding to shareholders and other stakeholders on sustainability-related matters.
- **Executive Responsibilities for Sustainability:** Our internal Sustainability Steering Committee is responsible for the daily implementation of our sustainability strategy. The committee, which meets monthly, includes a cross-functional team of Zurn Elkay leaders who use 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: Labor & Human Rights

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## 1.1 Actions

### Commitment

At Zurn Elkay we are committed to embedding sustainability into every aspect of our supply chain while also maintaining the highest ethical standards in all our business practices. We understand that our environmental and social responsibilities extend far beyond our operations, and we aim to take proactive measures within our supply chain to ensure that our sourcing, production and delivery processes reflect our values.

As indicated in our Human Rights Statement, Zurn Elkay is committed to respecting, protecting and supporting human rights throughout our operations and supply chain. We support the elimination of all forms of child and forced labor, adherence to the principle of nondiscrimination in the workplace, compliance with wage and working hour laws, freedom of association and assembly, the right to collective bargaining, and internationally recognized human rights standards, including the Universal Declaration of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. We strive to support human rights through our investments in our associates, annual human rights training for all associates, volunteerism in our communities and charitable giving.

We are committed to providing a work environment that encourages our associates to feel comfortable being their true selves, so they can perform their best and grow their career with Zurn Elkay. Inclusion is built into our key programs, processes and supply chain. Promoting a sense of belonging is at the heart of both our inclusion and belonging efforts and our core value of total associate engagement. We believe associates who feel they are part of a team are more likely to contribute their energy and creativity toward Zurn Elkay's mission and will be more inclined to build rewarding careers with us.

### System

Operating as a *Sustainably Inspired* company requires us to hold our suppliers to the same standards we apply to our own operations in critical areas such as ethics, human rights, and environmental stewardship. Our Supplier Excellence Manual includes information about several of our supply chain initiatives and requirements, including the Supplier Code of Conduct, Human Rights Statement, Supplier Quality and Development Program and Supplier Diversity. The manual is intended to provide a clear understanding of our expectations, guidelines and processes. Adhering to these standards ensures seamless collaboration, enhanced operational efficiency and shared success in the competitive marketplace. Reviewing the Supplier Excellence Manual is part of our new supplier onboarding process. It is housed on our website, and we expect suppliers to adhere to it in totality.

We also recently added training specifically focused on human rights and human trafficking in 2023, and in 2024 we began rotating the focus of our human rights training annually to cover topics such as modern slavery in the supply chain and child labor.

Beyond these measures, 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 further reduce our already world class total recordable incident rate (TRIR).

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. Our inclusion programs, including our Employee Resource Groups (ERGs), work to promote 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 the opportunity to participate in the Zurn Elkay Employee Stock Purchase Plan. Shared ownership creates a strong alignment between their personal contributions and our company's success.

## 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.
- **Safety in our facilities:** Zurn Elkay operates under mature Environmental, Health and Safety (EHS) policies, which includes local safety teams and centralized EHS professionals. Our 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 Chief Administrative Officer (CAO). At each facility, programs are managed by regional EHS staff, who report to the corporate team.
- **Occupational Health and Safety Training:** Our Health and Safety Management System includes training for associates on health and safety practices to minimize the number and severity of incidents. 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 facility a compliance calendar that consists of 30 different EHS topics, including an emphasis on the five cardinal safety rules: Lockout/Tagout, Electrical Safety, Confined Spaces, Machine Guarding and Fall Protection. Formal hazard-recognition training is conducted by each site's EHS manager or a qualified designated trainer. On average, each Zurn Elkay shop associate receives 22 training hours on applicable topics annually.

- **Monitor and measure safety performance:** Every year, we strive for zero workplace injuries. As part of our work toward that ambition, we have set a new goal to reduce our TRIR by 10% by 2030 compared to our 2024 baseline. This goal demonstrates our commitment to reducing what is already a world class TRIR. This target includes all full- and part-time associates and contracted temporary workers but excludes third-party subcontractors. 63% of Zurn Elkay locations are operating one year or more without a recordable incident.

We diligently monitor our safety performance data to provide our teams with the insights they need to make progress toward our TRIR reduction target. Our EHS managers' report bi-weekly on activities to enable the entire department to highlight certain programs or conduct awareness trainings to mitigate identified risks across the entire company. We had zero workplace fatalities in 2024. From 2023 to 2024, we reduced both our TRIR and LTIR by 4% and 58% respectively. We attribute our success to disciplined commitment to our Health and Safety Management System, which includes tools and processes for measuring safety performance and promoting continuous improvement.

- **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. In 2024, we had zero injuries or fatalities to third-party contractors in our facilities.
- **Wellness Program:** We offer a comprehensive set of benefits to help our associates achieve better health. Participating associates and covered spouses earn points for preventative measures such as annual physicals, well-woman checkups, mammograms, colonoscopies and dental screenings, as well as lifestyle activities like tracking steps, weight management programs, volunteering, financial wellness programs and participating in annual challenges. Achieving a set target of wellness points earns associates a significant discount on healthcare premium costs. In 2024, 86% of our associates reached their goal to achieve wellness points.
- **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. Our TAE Survey results continue to demonstrate year-over year improvement. Overall participation in 2024 was 95%, up from 94% in 2023, thus continuing to exceed our goal of 80% annual participation. Our overall TAE engagement score of 74% in 2024 represents an increase of



three percentage points from 2023. Our engagement scores remained high year-over-year and above industry benchmark in 15 categories.

- **Benefits:** We know that a comprehensive, high-quality suite of benefits is essential to attract and retain the talent we need. 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:** Through the Zurn Elkay Business System, we have a systematic and comprehensive succession planning process in place that starts with creating a talent pipeline that is in line with our corporate strategy and goals, incorporates upward mobility into associate evaluations and fosters leadership roles through professional development. Annual comprehensive succession planning and development process delivering talent succession is provided for the top three levels of the organization.
- **Inclusion and Belonging:** Our Executive Council (EC) directly oversees the inclusion and belonging strategy. Our Chief Administrative Officer (CAO), VP of communications and executive sponsors oversee inclusion and belonging strategy including our Employee Resource Groups (ERGs). 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 2024, Zurn Elkay had 25 associates completed the 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:** We believe associates perform best and contribute most when they are seen and supported as their authentic selves. Our ERGs help provide that

support by offering forums where associates can come together to share their perspectives, experiences, ideas, challenges, opportunities and successes. These groups are a critical part of our strategy to create a workplace where everyone feels comfortable and supported as their true selves. We worked in 2024 to increase ERG membership and impact by introducing ERGs earlier in onboarding, establishing executive-level sponsors for each ERG and connecting ERGs with Zurn Elkay's nonprofit partners. Each ERG is open to all associates for membership or to be an ally of the group.

- **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.
- **Responsible Sourcing:** Our global supply chain organization takes proactive measures to promote responsible sourcing and uphold our standards to responsible, ethical, and sustainable business practices. All new suppliers go through a new supplier screening process that includes social and environmental criteria and 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 perform on-site audits at least once every three years on our top 80% of suppliers based on spend 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:** Our Supplier Development program addresses any risks or issues identified in new supplier screening or by the Supplier Quality team. Suppliers who fail any of the screening questions, fail to reach a threshold score, or possess a concentration of low-scoring questions on a specific category, such as quality management, operations, or supply chain, can join the program. The program requires action steps, such as training, additional audits, sharing of best practices, and others to address the identified areas and a reassessment is conducted to evaluate if the necessary measures have been implemented to our standards. Our Supplier Management and Governance Council meets monthly to review current supplier risks as well as suppliers' social and environmental initiatives.
- **Supplier Diversity Program:** Our Supplier Diversity Program aims to increase domestic spending with suppliers owned by women, racial and ethnic minorities, LGBTQ+ individuals, disabled individuals, 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 2024, 5.6% of our domestic spending went to diverse suppliers, keeping 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. 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.

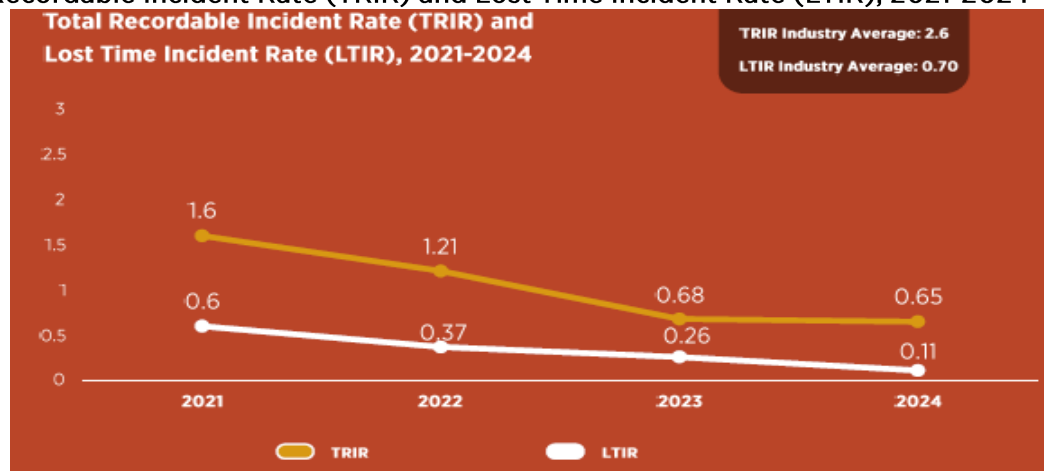
- **Communities:** In addition to providing high-quality employment opportunities, Zurn Elkay supports a range of charities and community efforts through financial and in-kind contributions. We also encourage and support volunteerism and philanthropic giving among our associates, helping them strengthen their communities according to their own preferences and priorities. Both through direct corporate donations as well as through the Zurn Foundation, we focus our community philanthropic efforts on local organizations where we believe we can have the greatest positive impact. In keeping with our mission to provide clean water solutions, our community efforts place particular emphasis on areas where lead levels are high and resources are low. We are especially well positioned to respond to water-related crises quickly and effectively due to the nature of our work.

## 1.2 Outcomes

We track and measure our performance on an ongoing basis to ensure that we are continuously improving our workplace safety. We diligently monitor our safety performance data to provide our teams with the insights they need to make progress toward our goal of zero recordable workplace injuries. Our EHS managers' report bi-weekly on activities to enable the entire department to highlight certain programs or conduct awareness trainings to mitigate identified risks across the entire company.

We had zero workplace fatalities in 2024. From 2023 to 2024, we reduced both our TRIR and LTIR by 4% and 58% respectively. We attribute our 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), 2021-2024



<b>Worker Health &amp; Safety Metrics, Volunteerism, Donations and Diverse Supplier Spend</b>	<b>2024 Outcome</b>
Total Recordable Incident Rate (TRIR) per 200,000 hours worked globally	0.65
Lost Time Incident Rate (LTIR) per 200,000 hours worked globally	0.11
Fatality Rate (number)	0
Employees participating in “best practice” health and well-being programs that help to reduce absenteeism and improve productivity (percentage)	86%
In total contributions from Zurn Elkay and the Zurn Foundation in 2024, including financial and product donations (USD)	\$1.3 Million
Hours of volunteer time (# hours)	4,510
Proportion of spending on local suppliers as percentage (%) of the procurement budget	43%
Diverse suppliers spend on businesses owned by women, minorities, disabled individuals, veterans, LGBTQ+ community members, and located in HUBZones (USD)	\$15,188,455

<b>Labor Metrics, Human Capital, and Employee Demographics</b>	<b>2024 Outcome</b>
Percentage of active workforce covered under collective bargaining agreements (percentage)	7.9%
Work stoppages (number)	0
Total Associate Engagement (TAE) Survey Response Rate (percentage)	95%
TAE Score - Employee engagement; conducted by third-party survey (percentage)	74%
Associate Inclusion Index Score (percentage)	80%
Total paid parental leave per associate (# days)	10 days
Females in the workforce, globally (percentage)	33%
Female representation in management, globally (percentage)	29%
Female representation on the Board of Directors (percentage)	30%
Minorities in the US workforce (percentage)	38%
Minorities in the US management (percentage)	18%



## Health and Safety

# 10%

NEW

Reduce our already world-class TRIR by 10% by 2030 compared to our 2024 baseline.<sup>7</sup>



## Communities

# \$8M

NEW

Increase philanthropic giving by \$8 million by 2030 compared to our 2024 baseline.



## People

# 80%

Maintain 80% engagement survey response rate annually.

ACHIEVED



Exceed the industry average Associate Inclusion Index score<sup>8</sup> annually.

ACHIEVED

# 1%

Offer associates 1% of their company time to volunteer annually.

ACHIEVED

# 18Hours

Provide 18 hours of training per associate by 2025.

ACHIEVED



NEW

Disclose total annual investment in training, leadership and professional development programs in the 2025 report.

## Success Story

### *The Zurn Elkay Corporate Safety Observation Program*

Our Corporate Safety Observation Program provides associates with tools to help improve facility safety. In the program, associates evaluate seven topics: personal protective equipment, working surfaces, machine safety, material handling, forklift, tools and equipment, and line of fire. Each month, all associates record their observations on cards and submit them to be tabulated by department and facility. Using visual daily management boards, we track the number of cards completed, types of unsafe conditions identified, and corrective actions taken. In 2024, we began tracking all safety observation information at the corporate level and discussing it with our site EHS managers on a biweekly basis. Site EHS managers give monthly progress updates, including key metrics that identify important trends and specific examples of observed unsafe actions. This information is then used to send out safety alerts and provide additional awareness trainings. Using the Safety Observation Program, we were able to reduce incidents such as lacerations by 38% in 2024. 2,250 ideas for improvement were submitted by associates and actioned in 2024.

# Section 2: Environment

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## 2.1 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 2024, we focused on making progress on our previously established targets. In the spirit of our core value of *Continuous Improvement*, we reduced our Scope 1 and Scope 2 greenhouse gas (GHG) emissions, increased our use of renewable energy, reduced our water withdrawn, and reduced the amount of total waste we produced.

In addition to these achievements, we pursued continual improvement in our stewardship of the environments where we operate by launching several new initiatives and fine-tuning our strategies. We set new targets, improved our tracking measurement and analysis, increased associate engagement on environmental, health and safety matters, and developed more cohesive and effective systems.

- **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 and in 2024 we achieved our target to reduce energy intensity by 15% compared to our 2021 baseline. We 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. In 2024, we completed lighting projects at three facilities and compressed air leak assessments and repairs at five facilities.

- **Decarbonization Roadmap:** We are working to reduce our facilities' baseline energy use and GHG emissions, following the detailed roadmap we developed in 2023 for reducing our Scope 1 and 2 emissions. Step one is underway as we work to reduce our facilities' baseline energy use and GHG emissions. This step includes conducting energy maturity assessments on our most energy-intensive facilities. These assessments enable us to identify a range of potential energy-reduction projects and evaluate them based on impact, cost and complexity. This helps us prioritize and act on the most impactful energy reduction opportunities.
- **Scope 3 Emissions:** We calculated our baseline Scope 3 emissions for the first time in 2022 and have continued to do so on an annual basis. In 2024, we focused on refining our procedures for calculating Scope 3 emissions and reviewing our data sets to help ensure accuracy. We also engaged our suppliers through an annual survey to gain better insights into their environmental metrics.
- **Sustainable Products:** 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.
- **Renewable Energy:** Renewable energy procurement is the second key step of our decarbonization roadmap. Five of our facilities purchase RECs that cover 100% of their electricity use, amounting to over 5.2 million kilowatt hours (kWh) and resulting in 2,100 metric tons of CO<sub>2</sub>e emissions eliminated in 2024.
- **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.
- **Biodiversity:** None of Zurn Elkay U.S. operational sites are located within biodiversity sensitive areas. In addition, our products help protect biodiversity by conserving and protecting water. For example, our filtered water bottle filling stations reduce the use of single-use plastic water bottles; our low-flow faucets, flush valves, toilets and urinals help our customers reduce water use; and our hand dryers reduce paper towel waste in restrooms.
- **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 2024, we recycled 64.4% of total waste from our operations. We also exceeded our previously stated target of a 2% annual waste to landfill reduction, and as a result, we created a new waste to landfill target - aiming to validate five facilities as zero waste to landfill by 2030.

- **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. In 2024, we further improved our transparency through additional disclosures, including International Financial Reporting Standards (IFRS) S1 and IFRS S2 sustainability disclosure standards released by the International Sustainability Standards Board (ISSB). 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.

## 2.2 Outcomes

Zurn Elkay products saved an estimated 32.5 billion gallons of water in 2024, exceeding our goal to maintain at least 30 billion gallons annually. Additionally, Elkay water bottle fillers have prevented the use of more than 19 billion single-use plastic water bottles avoided with our drinking water products in 2024, exceeding our ambition to prevent the use of 15 billion single-use plastic water bottles annually.

Environmental Metrics, Carbon, Energy and Water	2024 Outcome
Gross global Scope 1 GHG Emissions	11,087 Mt CO <sub>2</sub> e
Gross market-based energy indirect Scope 2 GHG Emissions	9,007 Mt CO <sub>2</sub> e
Gross total other indirect Scope 3 GHG Emissions	269,082 Mt CO <sub>2</sub> e
Total energy consumed	342,004 GJ
Percentage grid electricity	29.4%
Percentage renewable	6.3%
Total water withdrawn (Thousand cubic meters)	208.5 m <sup>3</sup>
Total water discharged (Thousand cubic meters)	175.5m <sup>3</sup>
Total water consumed (Thousand cubic meters)	33.0 m <sup>3</sup>
Percentage of total water consumed in regions with high or extremely high baseline water stress	47%
Total waste generated	9,994 Mt
Percentage of total waste diverted from disposal (recycled and reuse)	64.4%



Environmental Metrics, Carbon, Energy and Water	2024 Outcome
Gross global Scope 1 GHG Emissions	11,087 Mt CO2e
Gross market-based energy indirect Scope 2 GHG Emissions	9,007 Mt CO2e
Gross total other indirect Scope 3 GHG Emissions	269,082 Mt CO2e
Total energy consumed	342,004 GJ
Percentage grid electricity	29.4%
Percentage renewable	6.3%
Hazardous waste intensity (Metric tons/ \$M revenue)	0.04
Product safety - Number of recalls issued, total units recalled	0
Percentage of revenue from products with sustainable attributes	86%

## Success Story

### *Natural Gas Reduction [Scope 1]*

Our energy maturity assessments identified opportunities to reduce our use of natural gas. Reducing natural gas consumption helps lower emission of non-GHG air pollutants such as NOx, SOx, VOC, HAP and PM. We upgraded the boiler at our Broadview, Illinois, facility to a high-efficiency burner in 2024. This upgrade will reduce natural gas use at the facility by 10%. In conjunction with this project, we installed programmable thermostats that improved the team's ability to manage building temperature. We also created a building management plan that will evaluate the HVAC system holistically to make sure it is optimized when the building isn't occupied.

# Section 3: Anti-Corruption

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## 3.1 Actions

### Commitment

Zurn Elkay is committed to the highest ethical standards in all our business practices. We strive to run our business honorably, inspired by our core value of *Integrity in Everything We Do*. That focus guides our systems and practices to ensure that throughout Zurn Elkay, we always act in accordance with our values and obligations — and do so with transparency and accountability.

### 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.

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.

Our Anti-Corruption Law Policy is integral to our Compliance and Ethics Program. As a multinational company, Zurn Elkay operates under several regulatory and legal regimes, including the U.S. Foreign Corrupt Practices Act and other local and international bribery and corruption laws.

### Activities

- **Compliance and Ethics:** 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:** 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 the letter and spirit of all tax laws in the countries in which we operate. Our Tax and Finance Teams work to maintain compliance with tax laws wherever we have business dealings by applying reasonable tax practices and acting transparently. Income taxes paid are provided below, organized by country.

## 3.2 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.