



Annual Communication on Progress (CoP)

Time Period Covered: January 2022 – December 2022

Zurn Elkay Water Solutions Corporation

October 2023

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Statement of Continued Support from Our CEO

To our stakeholders:

I am pleased to confirm that Zurn Elkay Water Solutions reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption. In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture, and daily operations. As signatories to the UN Global Compact in 2021, we incorporated the 10 principles of the UN Global Compact across our sustainability strategy that year.

We continued to uphold these principles in 2022 by merging the best elements from Zurn Water Solutions and Elkay Manufacturing Company into our combined sustainability strategy and commitments. 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.

In 2022, as we aligned Zurn Elkay under a comprehensive and uniform environmental, social and governance (ESG) strategy led by our board-level ESG Committee, we achieved several critical milestones reflecting our commitment to sustainability and engaged in projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals.

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

We are committed to sharing this information with our stakeholders using our primary channels of communication and have communicated these efforts throughout our 2022 Sustainability Report.

Sincerely,



Todd A. Adams
Chairman and CEO
Zurn Elkay Water Solutions

Governance

As signatories to the United Nations (UN) Global Compact in 2021, we incorporated the 10 principles of the UN Global Compact across our sustainability strategy that year. We continued to uphold these principles in 2022 as we aligned Zurn Elkay under a comprehensive and uniform sustainability strategy. In support of this, we've continued to build on our comprehensive ESG strategy under a strong governance and oversight program as follows:

- **Governance Structure:** We drive our commitment to strong governance and ethical business practices from the highest levels of our organization. Zurn Elkay's robust governance and ethics strategy includes clearly defined structures, policies and practices that embed our commitment to integrity across our business and to ensure we are transparent and accountable to all our stakeholders. To review the complete list of policies, please refer to the [2022 Sustainability Report, page 89](#). The list of policies includes the Code of Business Conduct and Ethics, Anti-Corruption Law Policy, Anti-Trust Policy, and Supplier Code of Conduct, among others.
- **Board Oversight of ESG:** We reflect our commitment to being a Sustainably Inspired company in the robust governance structure we created to incorporate ESG practices throughout Zurn Elkay. Oversight responsibility is shared by the Board of Directors and our executives, and it is communicated to associates through policies that guide them in their everyday work. Our Board of Directors ESG Committee oversees Zurn Elkay's ESG efforts. The committee's responsibilities include monitoring performance on ESG initiatives, reporting on ESG activities and responding to shareholder proposals on ESG matters and other significant ESG-related stakeholder concerns.
- **Executive Responsibilities for ESG:** Our internal ESG Steering Committee includes Zurn Elkay executives responsible for implementing our ESG strategy on a day-to-day basis. The cross-functional team of leaders uses their business expertise and deep knowledge of our sustainability commitments to create and refine our goals, improve our ESG strategies, establish effective policies and enhance reporting to stakeholders. We strengthened this team in 2022 by adding our head of engineering as a committee member tasked with overseeing efforts to embed sustainability into our overall product development process. Our incentive compensation for company leaders incorporates a link to sustainability performance.

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

Section 1: Human Rights

1.1 Actions

Commitment

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

System

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

Activities

- **Human Rights Statement:** In 2022, we made our Human Rights Statement a stand-alone policy that we communicate to our associates and suppliers, and we added annual human rights training for all our associates. Our Human Rights Statement aligns with U.N. Global Compact Principles 1 and 2, the Universal Declaration of Human Rights, and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.
- **Products that promote health and safety:** The EPA estimates that drinking water can make up 20% or more of a person's total exposure to lead. While it's dangerous for anyone to ingest, children are most vulnerable. Even low levels in the blood have been shown to slow growth, cause hearing problems and anemia, and result in behavior and learning problems, lower IQ, and hyperactivity. In an estimated 130,000 K-12 schools across the U.S., lead is likely to be found in pipes and fixtures. School administrators across the U.S. have turned to Elkay's ezH2O® filtered bottle filling stations to put safer, healthier water within everyone's reach. The ezH2O® is certified to reduce lead and other harmful contaminants and has many features that enable students to gain quick, hands-free

access to water. In addition to eliminating plastic waste from single-use bottles, enhanced models also offer energy saving benefits, such as turning off at programmed times. Other products include touchless faucets and flush valves, hand dryers with HEPA filtration, and touchless water fountains and bottle fillers.

- **Safety in our facilities:** Zurn and Elkay operates under mature environmental health and safety (EHS) policies, which includes local safety teams and centralized EHS professionals. The Corporate Risk Management Team consists of individuals responsible for insurance, facilities, business continuity planning and security. This group provides general oversight and guidance to regional EHS staff and ensures that all programs, training and supporting documents meet regulatory requirements. Regional EHS staff assigned to each facility manage programs locally, drive continuous improvement and work toward our EHS vision. We built our audit process based on OSHA requirements and best management practices to focus on three main requirements: documentation and training, facility conditions and associate interviews.
- **Occupational Health and Safety Training:** We require training for all associates upon hire and annually thereafter, in accordance with country- and state-specific EHS requirements and identified best practices. To meet these requirements, we assign each site a compliance calendar that consists of 28 different EHS topics. On average, each Zurn Elkay shop associate receives 16 training hours on applicable topics annually.
- **Monitor and measure safety performance:** Regular monitoring of our safety performance statistics helps us maintain this track record and make progress toward our vision of zero recordable workplace injuries. We have set an annual TRIR reduction goal of 10% in 2023 (compared to our 2022 baseline).
- **Contractor Safety:** Contractors are a critical part of our operations, and we extend the same commitment to safety for these workers at our facilities as we do for our direct associates. Our EHS program includes a robust Contractor Safety Program that helped us record zero contractor fatalities in our facilities in 2022. We manage any contractor incidents through Zurn Elkay's incident investigation program to determine root causes and corrective actions.
- **Wellness Program:** We offer a comprehensive set of benefits to help our associates achieve better health. We also offer our U.S. associates a wellness program that includes resources and incentives to help them maintain their physical and mental health, with a focus on preventive care. Participants earn wellness points for participation in the program, and they can use it to reduce the cost of their annual health care premiums. More than 80% of associates participate in our wellness program.
- **Communities:** We focus our philanthropic donations and volunteer efforts on projects that support racial justice and equity. We provide financial support, in-kind donations and volunteer time to organizations working at the ground level to foster sustainability in our

communities. We deliver this support through direct corporate donations as well as through the Zurn Foundation.

- **Responsible Sourcing:** The combination of Zurn and Elkay in 2022 created a more complex supply chain with expanded size, country locations and breadth of sourced materials/products. Our global supply chain organization includes three leadership positions dedicated to overseeing critical areas of supplier diversity, supply chain sustainability and supply chain risk. We established a supplier assessment program that is intended to promote awareness of environmental and social impacts and foster a transparent and responsible supply chain. We require all suppliers to sign our Supplier Code of Conduct. The rules of conduct cover human rights and labor practices, environmental, health and safety standards, and ethics, integrity and compliance. We conduct periodic internal supplier audits, with a goal to audit our top suppliers every three years, to ensure that they meet our requirements with respect to applicable laws and working conditions, including laws against human trafficking and slavery.
- **Supplier Diversity Program:** Our U.S. Supplier Diversity Program aims to increase domestic spending with suppliers owned by women, racial and ethnic minorities, LGBTQ+ individuals, disabled individuals or veterans or businesses located in HUB Zones, areas the Small Business Administration has designated as historically underutilized. Over the past year, we renewed and added 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. We aim to increase sourcing from certified diverse suppliers to 8% of total domestic spending by 2025, from 1.4% in 2022.
- **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. In 2022, we requested from every supplier an updated RMI Conflict Minerals Reporting Template. 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.

1.2 Outcomes

Combining Zurn and Elkay into one company increased the physical footprint of our facilities and our number of employees, while also expanding the number of manufacturing locations we operate. Despite the additional risk created by these changes, we significantly improved safety performance from 2021 to 2022 as a combined company.

To reflect the combined activities of Zurn and Elkay, we recalculated our 2020 and 2021 safety performance. Our recalculated 2021 Total Recordable Incident Rate (TRIR) was 1.60 and the Lost Time Incident Rate (LTIR) was 0.60. In 2022, our combined TRIR was 1.21—a reduction of nearly 24%. Our combined LTIR was 0.37 in 2022, a 38% improvement from 2021. In addition to our overall reductions in TRIR and LTIR, 55% of our manufacturing and warehouse locations achieved zero recordable injuries in 2022, a 41% improvement over 2021.

TRIR AND LTIR RATES, 2020-2022

	Zurn Elkay 2020	Zurn Elkay 2021	Zurn Elkay 2022	Industry Average 2021
TRIR	1.13	1.60	1.21	2.90
LTIR	0.30	0.60	0.37	0.80

CONTRACTOR SAFETY METRICS, 2020-2022

	Zurn Elkay 2020	Zurn Elkay 2021	Zurn Elkay 2022
Contractor Total Recordable Injuries	0	0	0
Number of Contractor Fatalities	0	0	0

Worker Health & Safety Metrics, Volunteerism, Donations and Diverse Supplier Spend	2022 Outcome
Total Recordable Incident Rate (TRIR) per 200,000 hours worked globally	1.21
Lost Time Incident Rate (LTIR) per 200,000 hours worked globally	0.37
Fatality Rate (number)	0
Contractor total recordable injuries	0
Number of contractor fatalities	0
Percentage (%) of employees participating in “best practice” health and well-being programs that help to reduce absenteeism and improve productivity	80%
Donations to community organizations; in cash or in-kind (USD \$)	\$2 Million
Hours of volunteer time (# hours)	5,406
Proportion of spending on local suppliers as percentage (%) of the procurement budget	9%
Diverse suppliers spend on businesses owned by women, minorities, disabled individuals, veterans, LGBTQ+ community members, and located in HUBZones (USD \$)	\$7.2 Million

Section 2: Labor

2.1 Actions

Commitment

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

System

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

Activities

- **Measure Associate Engagement:** Our Total Associate Engagement (TAE) survey measures employee engagement annually and is one of our core values and a central focus of the Zurn Elkay Business System. Cultivating associate engagement ensures we can continue developing innovations that support our customers' needs. It also helps us attract and retain talented associates who are essential to our company's long-term success.
- **Benefits:** Our integrated package for Zurn Elkay includes medical, dental, vision, health savings accounts, life insurance, disability coverage, employee assistance program (EAP), medical second opinion programs, wellness programs and a parental leave program. We also offer a robust 401(k) retirement plan with a generous company match. We enhanced this program in 2022 by bringing over features from Elkay's benefits package to create an even stronger offering that combines the best of both companies. These benefits include equity grant, bonus eligibility, family support, scholarships, and parental leave, paid volunteer time, matching gifts for charities, employee referral bonus and paid sick time.
- **Professional Development:** We deliver training opportunities in a range of formats—including leadership development programs, on-the-job training, virtual education, and

peer-to-peer learning. As our associates grow and acquire new skills, they can continue developing the innovative water management solutions we need for the future.

- **Succession Planning:** Annual comprehensive succession planning and development process delivering talent succession for the top three levels of the organization.
- **Diversity, Equity, and Inclusion Strategy:** Our Executive Council directly oversees the Zurn Elkay DEI strategy. Members of the EC are executive sponsors on the associate-led Diversity Council. Our chief human resource officer is responsible for tracking and measuring progress against our DEI objectives and provides periodic reports to our CEO, Executive Committee and ESG Committee. Our associates receive bias and diversity training as part of our annual Code of Conduct training.
- **Promoting Diverse Leadership:** McKinsey & Company's Connected Leaders Academy is a training program designed to enhance the skills and professional networks of Black, Asian, Hispanic and Latinx business leaders. Recognizing the importance of these opportunities to improve our associates' lives and strengthen our talent pipeline, we had nine associates participating in McKinsey programs in 2022, including the Hispanic and Latino Management Accelerator, Black Executive Leadership Program, Black Management Accelerator and Asian Management Accelerator.
- **Employee Resource Groups:** These groups are a critical part of our strategy to create a workplace where everyone feels comfortable and supported as their true selves. These associate-led organizations bring together people with shared backgrounds or characteristics to discuss their experiences, identify opportunities to improve our diversity and inclusion efforts and create networking and personal development opportunities.
- **Pay Equity:** We pride ourselves on paying for performance and conduct an annual pay equity review to ensure that qualifications like years of experience, education and prior work history influence associate pay, not gender. This study, which identified no significant gender pay equity issues, was completed in July 2022, and will continue to be performed annually.

2.2 Outcomes



Labor Metrics, Human Capital, and Employee Demographics	2022 Outcome
Percentage of active workforce covered under collective bargaining agreements	10.9%
Number of work stoppages	0
Total Associate Engagement (TAE) Survey Response Rate	87%
TAE Score - Employee engagement; conducted by third-party survey.	69%
Associate Inclusion Index Score	78.3%
Total paid parental leave per associate	10 days
Percentage of females in the workforce, globally	32%
Percentage of female representation in management, globally	30%
Percentage of female representation on the Board of Directors	20%
Percentage of minorities in the US workforce	41%
Percentage of minorities in the US management	16%

Section 3: Environment

3.1 Actions

Commitment

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

System

Across all operations, the Zurn Elkay Environmental Management System (EMS) focuses on three fundamental environmental principles: protecting air, water and land. To support those principles, we have developed a comprehensive framework for measuring our company's environmental aspects and impacts, identifying and mitigating risks, ensuring compliance with regulations and delivering on our commitment to continual improvement. We've created the policies and procedures in our EMS to reflect the values and principles laid out in the United Nations Global Compact's Principles.

Activities

- **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.
- **Energy Use:** We are committed to reducing our overall energy consumption. We have set a target to reduce our energy intensity (normalized against revenue) by 15% by 2024 (compared to our 2021 baseline). We launched an energy maturity assessment on our top 10 energy-using facilities to examine a range of energy reduction measures, including lighting, HVAC, air compressors, variable speed drives and heat capture. Starting this process at our 10 highest energy-using facilities will enable a deeper dive into energy saving opportunities and our development of detailed, site-specific project road maps for achieving our energy intensity reduction goal.
 - **Example:** Lighting in our manufacturing facilities, warehouses and offices represents a significant portion of our overall energy use. Our warehouse in Commerce, Texas, was one of the largest electricity users in the Zurn Elkay footprint due to its antiquated lighting system. In 2022, we executed a lighting upgrade initiative with high efficiency LED fixtures, which will save more than 327 MWh of electricity annually and reduce our GHG emissions by 122 metric tons.
- **Renewable Energy:** The energy reduction projects described before will help reduce our GHG emissions. In addition to these projects, we continued taking steps through

renewable energy procurement that included signed contracts with utility providers at four of our facilities to purchase renewable energy certificates (RECs) and on-site renewable power generation. Our solar array produced 907 MWh and saved 212 metric tons of CO₂e in 2022.

- **GHG Emissions:** In early 2023, we received third-party verification of our 2022 Scope 1 and 2 greenhouse gas inventories. We also assessed the Scope 3 categories that are material to our business to help us establish an inventory baseline. This has laid the groundwork for establishing a science-based target for GHG reductions inclusive of our entire value chain, across Scope 1, 2 and 3 emissions. As part of our strategic planning process, we are working toward a decarbonization road map to define a pathway to reduce emissions in line with the Paris Agreement goals.
- **Avoided GHG Emissions:** Zurn Elkay provides a range of sustainable products that help customers avoid GHG emissions while providing other environmental benefits such as: the energy-efficient hand dryers replace paper towels, helping avoid GHG emissions in the energy-intensive paper manufacturing process; Zurn's PEX piping systems for plumbing and heating conserve water and reduce energy usage and; Elkay water bottle fillers reduce the substantial carbon footprint associated with the manufacturing and distribution of single-use plastic water bottles.
- **Water Consumption:** We employ a multi-tiered approach to water management at our facilities, with responsibility shared across the entire organization. This system helps us identify and implement water reduction projects across our business footprint. Our 2022 water usage increased over 2021 due to our acquisition of Elkay. Most of our net water consumption is the result of evaporation losses from the heated wash tanks at several of our manufacturing facilities.
- **Waste and Recycling:** Our waste reduction and recycling efforts extend beyond our commitment to using recycled materials in our products. We recycled over 36% of our total waste from operations in 2022, and we continue to evaluate opportunities to further eliminate or divert waste from our manufacturing process such as transitioning away from printed instructions and manuals and providing instead QR codes to scan for information or switching from liquid foaming material for packaging to shredded scrap cardboard to pack parts. This process eliminates foaming material waste and uses a recyclable material in its place.
 - **Example:** One of the waste streams analyzed included spent aluminum oxide from the facility's sandblasting operation, which typically ended up in a landfill. The team identified a new waste vendor that can reuse that waste material to manufacture other abrasives, a process that will divert approximately 52,000 pounds of waste aluminum oxide from the landfill annually.
- **Life Cycle Assessment:** We initiated our first product lifecycle analysis (LCA) in 2022 to document the end-to-end environmental impact of our U.S.-made stainless-steel sinks—one of Elkay's bestselling products. This LCA will serve as a pilot to help us develop a standard procedure for creating LCAs and applying the insights derived from the analysis to improve our product design and sustainability. Based on the final LCA we will also create an environmental product declaration (EPD).

- **Product Stewardship:** We have committed to improving our product stewardship and transparency efforts, as well as reducing the toxic footprint in the supply chain. Currently, we are in the process of expanding Elkay’s robust screening programs across the rest of Zurn Elkay, including requiring suppliers to submit annual full material disclosures via Toxnot, a platform that manages compliance, transparency and reporting of all known chemical substances and finishes, coatings and additives used in the component or product.
- **Training and Awareness Programs:** Training sessions for our associates to recognize environmental risks in the fundamental areas of air, water, and land.
- **Communications:** Internal communications include monthly reporting to operations leadership on environmental and health and safety objectives, targets and KPIs, as well as safety alerts to quickly communicate an incident and corrective action to facility managers and associates.
- **Integrate Climate Change Risks into the Business:** In 2022, we enhanced our reporting process by aligning our approach with the Task Force on Climate-Related Financial Disclosure framework. Opportunities to mitigate climate change are inherent in many of our product lines (e.g., water efficiency and conservation products). Therefore, we regularly integrate climate-related issues in our review of business strategy and risk management planning. We developed a formal organization-wide plan under executive-level supervision in addition to plans at the facility levels.

3.2 Outcomes

Zurn Elkay products saved an estimated 32 billion gallons of water in 2022, and our goal is to increase that impact to 40 billion gallons annually by 2024. Additionally, Elkay water bottle fillers have prevented the use of more than 67 billion single-use plastic water bottles since 2012. We aim to prevent the use of 15 billion single-use plastic water bottles annually.

Environmental Metrics, Carbon, Energy and Water	2022
Gross global Scope 1 GHG Emissions	13,256 Mt CO2e
Gross market-based energy indirect Scope 2 GHG Emissions	13,264 Mt CO2e
Gross total other indirect Scope 3 GHG Emissions	315,934 Mt CO2e
Total energy consumed	414,308 GJ
Percentage grid electricity	33.2%
Percentage renewable	3.3%
Total water consumed (Thousand cubic meters)	31.1 m3

Environmental Metrics, Carbon, Energy and Water	2022
Gross global Scope 1 GHG Emissions	13,256 Mt CO2e
Gross market-based energy indirect Scope 2 GHG Emissions	13,264 Mt CO2e
Gross total other indirect Scope 3 GHG Emissions	315,934 Mt CO2e
Total energy consumed	414,308 GJ
Percentage grid electricity	33.2%
Percentage renewable	3.3%
Total water discharged	213.3 m3
Percentage of total water consumed in regions with high or extremely high baseline water stress	37.6%
Number of incidents of noncompliance associated with water quality permits, standards, and regulations	1
Total waste generated	19,296 Mt
Percentage of total waste diverted from disposal (recycled and reuse)	37%
Hazardous waste intensity (Metric tons/ \$M revenue)	0.01
Product safety - Number of recalls issued, total units recalled	0
Percentage of revenue from products with sustainable attributes	86%

Section 4: Anti-Corruption

4.1 Actions

Commitment

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

System

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

Activities

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

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

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

4.2 Outcomes

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

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

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