



2022 SUSTAINABILITY REPORT

SUSTAINABLY INSPIRED



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MESSAGE FROM THE CHAIRMAN AND CEO



SUSTAINABLY INSPIRED: STRENGTHENING OUR COMMITMENT TO CLEAN WATER

We took a significant step forward in our Clean Water mission when we acquired Elkay Manufacturing Company in July 2022. 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. With enhanced programs to support associates and communities, plus an expanded suite of solutions for safe drinking water, hygiene and sustainable water management, we are truly *Better Together*.

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.

As a combined organization, we made solid progress on the initial set of ESG targets announced in our 2021 report, and I'm pleased to share an update on each of those in this report. We are also announcing seven new ESG targets that are aimed at improvements in supplier diversity, air emissions, waste, plastic bottle elimination, engineering and R&D spending and Total Recordable Incident Rate (TRIR). These new targets provide additional transparency and accountability on our ESG journey.

For the first time, we've aligned our reporting with the Task Force on Climate-Related Financial Disclosures (TCFD) framework to guide our climate-related strategy, risk management and targets. In May, we

issued our first annual Communication on Progress after joining the U.N. Global Compact Programme (GCP) in December 2021, demonstrating how we have aligned our ESG strategy with the Ten Principles of the U.N. Global Compact.

Within our operations, we leveraged our Zurn Elkay Business System and applied our core value of continuous improvement to advance our sustainability efforts. We continued to reduce our greenhouse gas (GHG) emissions by completing several electricity and natural gas reduction projects in 2022. We also launched energy audits of key facilities, which will identify significant energy reduction improvements to meet our 2024 target. Renewable energy certificates were signed with utility providers at four of our facilities to expand our use of renewable energy. Building on our existing targets to reduce Scope 1 and Scope 2 GHG emissions, we met our 2022 goal of measuring our Scope 3 GHG emissions, which will enable us to develop emissions reduction targets across our entire value chain.

To strengthen support for the 2,600 people who work at Zurn Elkay, we added new benefits such as parental leave for all associates and paid sick time for hourly associates. We also reinforced our commitment to diversity and inclusion through partnerships with the National Black MBA Association, the National LGBT Chamber of Commerce and other organizations to help us increase diversity in our recruiting efforts and supply chain. We also quadrupled the number of employee resource groups (ERGs) available to associates.

Recognizing that our associates play a central role in our efforts to support the communities where we live, work, play and learn, we again provided equity grants making all employees shareholders, in addition to making all associates eligible for bonuses. Annually, we offer college scholarships for children of associates, up to \$5,000 in matching funds for associates' charitable contributions and 20 hours of paid volunteer time to every associate. To further harness the creativity and passion of the Zurn Elkay team, we launched the Zurn Elkay WAVES Social Impact Fund in 2022, funding associate ideas that address critical social and environmental issues.

One of our company's guiding principles is *Doing the Right Thing*, and we embody this principle through our industry-leading portfolio of sustainable water products that contribute to Zurn Elkay's positive impact on the world. Although the company experienced significant changes in 2022, we have not wavered from our commitment to design and deliver products that conserve water, save energy and promote health.

For example, our water bottle fillers are a critical tool for protecting schoolchildren from lead in drinking water and eliminating the use of single-use water bottles. Our touchless hand dryers eliminate the need for paper towels, saving trees and reducing emissions from the paper manufacturing process. Our pressure reducing valves, automatic control valves and touchless faucets and flush valves help reduce water usage to offset water scarcity. Our water safety and control systems prevent contaminated water from mixing with drinking water and keep fats, oils and sediment out of public waste treatment facilities.

We know our customers care deeply about the sustainability of their construction and retrofit projects. That's why we developed our first product lifecycle analysis (LCA) in 2022 to document the end-to-end environmental impact of our Elkay branded U.S.-made stainless steel sinks. Conducting LCAs alongside Environmental Product Declarations gives our customers additional confidence when choosing Zurn Elkay products to achieve their own sustainability goals. Our new product development pipeline focuses on products that help our customers achieve sustainability certifications like WELL v2 and LEED.

As an inherently ESG-focused company, we're proud that our sustainability efforts continue to be recognized. For the third consecutive year, *Newsweek* has named Zurn Elkay one of America's Most Responsible Companies.

Our focus, however, is our purpose: clean water, the most important natural resource on Earth. To further advance our sustainability achievements, we've continued to build on our comprehensive ESG strategy under a strong governance and oversight program. By embedding ESG considerations into our annual strategic planning process, we've tied our sustainability goals directly to our company's success. We are pleased to share this report with you to demonstrate how Zurn Elkay remains *Sustainably Inspired*—and accountable to all of our stakeholders.



Todd A. Adams
Chairman and CEO



ZURN ELKAY BY THE NUMBERS

-  ENVIRONMENT
-  HEALTH AND SAFETY
-  PEOPLE
-  COMMUNITIES
-  GOVERNANCE

\$90 million

invested in engineering and R&D by 2025

850

products with EPA¹ WaterSense certification, indicating at least 20% less water used compared with standard product

19.2%

reduction in greenhouse gas emissions intensity and 7.8% reduction in energy intensity in 2022

87%

Total Associate Engagement survey response rate

\$2 million

in cash or in-kind donations to community organizations

100%

of full-time associates now on cash performance-based bonus program

9

projects funded by the WAVES Social Impact Fund

34,185

in total training hours for associates

78%

Associate Inclusion Index score, exceeding the industry average of 73%

86%

of revenues generated from products with sustainable attributes

67 billion

single-use plastic water bottles eliminated through the use of Elkay water bottle fillers since 2012

100%

of full-time associates have long-term equity incentive

3

days of training for each new associate

0

product recalls for safety reasons

12

Key performance indicators (KPIs) to improve our supply chain's ESG strategy and performance

5,406

total volunteer hours for Zurn Elkay associates

32 billion

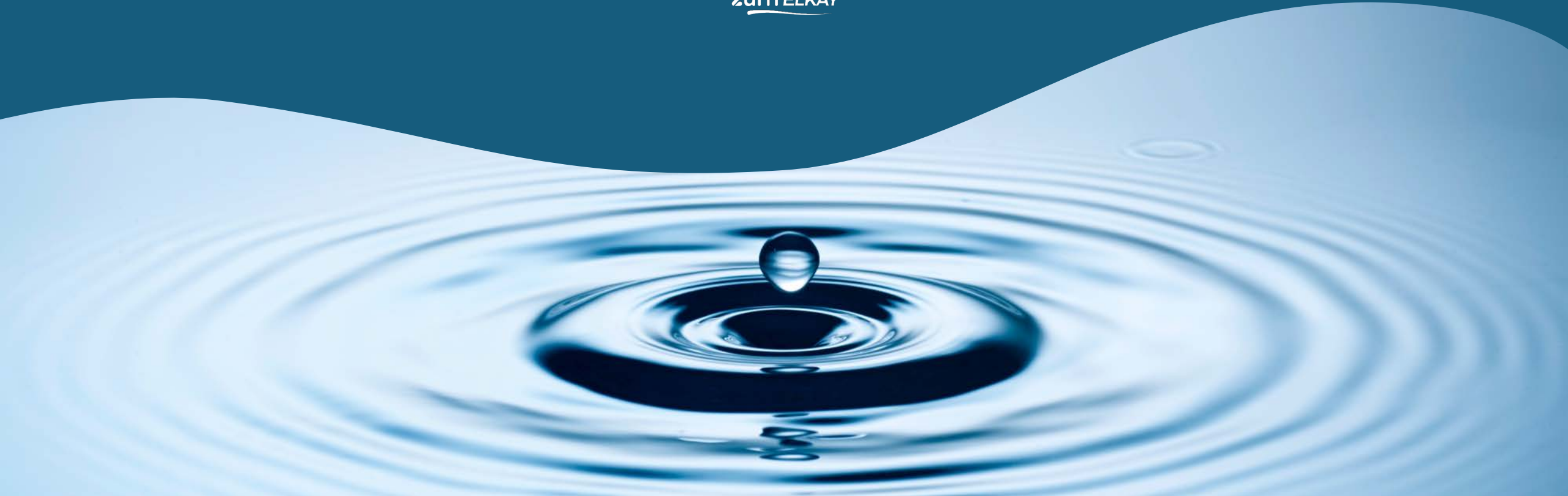
gallons of water saved by our products in 2022

80%

of associates achieve wellness goals in company Wellness Program

¹U.S. Environmental Protection Agency

ABOUT ZURN ELKAY AND THIS REPORT



ABOUT ZURN ELKAY WATER SOLUTIONS

Zurn Elkay Water Solutions (Zurn Elkay) is the unrivaled leader in sustainable water solutions that enhance health, safety and the environment. As a growth-oriented, pure-play water business, we offer one of the industry's broadest ranges of engineered water solutions and sustainable plumbing products that promote health and hydration, protect clean water and conserve resources. Our portfolio includes drinking water, water safety and control, hygienic and environmental and flow systems products for **the spaces where people live, work, learn and play.**

2022 AWARDS AND RECOGNITIONS



America's Most Responsible Companies 2023

Third consecutive year



Top Workplaces USA 2022

energage



Top Workplaces Milwaukee 2022

energage

ABOUT THIS REPORT

The 2022 Sustainability Report marks our inaugural report as the newly combined Zurn Elkay. Although the transaction closed in July 2022, this report includes consolidated data and examples from both legacy Zurn operations and Elkay operations from all of calendar year 2022, unless otherwise noted.

Since publishing our 2021 report, we made several updates to our ESG strategy based on competitive analysis and ongoing stakeholder feedback:

We are committed to continually evaluating our ESG strategy and reporting process to ensure that we are pursuing material targets, sharing our progress in the most transparent way and continually improving. 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. We have embedded ESG considerations into our strategic planning process and financial planning to guide us as we grow the company. We now have energy, waste and emissions reduction performance goals for most of our facilities across our organization.

- We established several new targets on air and waste emissions and supplier diversity improvements, updated our Total Recordable Incident Rate (TRIR) target to be timebound and established an annual engineering and R&D spending commitment to enhance our sustainable technology product offerings.
- We procured third-party verification for GHG Scope 1 and Scope 2 emissions measurement.
- We published our human rights statement and added human rights training for all associates annually.
- We focused on energy reduction in our facilities by launching an energy maturity assessment to identify meaningful reduction projects in addition to those completed in 2022.
- We established incremental targets and commitments in addition to the ESG goals we set last year.
- For the first time, we included a detailed disclosure aligned with the Task Force on Climate-Related Financial Disclosures (TCFD), which we feature on [pg. 113](#). We also conducted a climate-related risk assessment of each of our facilities to improve our climate-related strategy and risk management, and to ensure compliance with proposed U.S. Securities and Exchange Commission (SEC) climate-related financial disclosures.
- For the first time, we completed CDP's water security questionnaire in addition to the CDP climate change questionnaire.
- Our ESG Content Index on [pg. 103](#) aligns with the Sustainability Accounting Standards Board (SASB) standards and includes disclosures consistent with the Global Reporting Initiative's (GRI) Universal Standards. We continued to expand this index, adding multiple new metrics from GRI that apply to our business operations, materials and supply chain management and occupational health and safety.
- Throughout this report and the ESG Content Index, we reference business activities contributing to United Nations Sustainable Development Goals (SDGs). We joined the U.N. Global Compact in 2021 and in 2022 reaffirmed our support of its Ten Principles. Our annual Communication on Progress, released in May 2022, can be found [here](#).

ABOUT THIS REPORT

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Information in this report may involve expectations, outlooks, beliefs, plans, intentions, strategies or other statements regarding the future, which are forward-looking statements. These forward-looking statements involve risks and uncertainties. All forward-looking statements included in this report are based upon information available to Zurn Elkay as of the date of the report, and Zurn Elkay assumes no obligation to update any such forward-looking statements. The statements in this report are not guarantees of future performance and actions, and actual results could differ materially from current expectations. Numerous factors could cause or contribute to such differences. Please refer to “Risk Factors” and “Cautionary Notice Regarding Forward-Looking Statements” in the company’s annual report on Form 10-K for the period ended December 31, 2022, as well as the company’s annual, quarterly and current reports filed on Forms 10-K, 10-Q and 8-K from time to time with the U.S. SEC for a further discussion of the factors and risks associated with the business.



MISSION, VISION AND VALUES

As a company focused on sustainability and doing the right thing, our mission, vision and values inspire us each day to become a better company. These core commitments helped guide us through the combination of Zurn and Elkay, and they continue to drive our overarching ESG strategy.

MISSION

Zurn Elkay builds value and trust through superior knowledge of the global markets and customers we serve. We provide clean water solutions delivered by exceptional people.

VISION

We aspire to provide the safest and most efficient water solutions to protect human health and the environment.

VALUES

CUSTOMER FIRST

Building strong customer relationships and delivering customer-centric solutions. We value quality in all we do.

INTEGRITY IN EVERYTHING WE DO

Gaining the confidence and trust of others with honesty, integrity and authenticity. Our word is our bond.

CONTINUOUS IMPROVEMENT

Knowledge empowers us to find the most effective and efficient process to get things done, with a focus on embracing the Zurn Elkay Business System. The relentless pursuit of doing better.

TOTAL ASSOCIATE ENGAGEMENT

Creating an inclusive, equitable and diverse climate where people can grow and develop their careers while contributing to the overall success of the business. Our strength is in our people.

CULTURE OF WINNING

Consistently achieving results, even under tough circumstances. We celebrate our successes and reward and recognize results.

ZURN ELKAY
WATER SOLUTIONS

SUSTAINABILITY PILLARS

We organize our ESG strategy within five key pillars:

Managing the health and safety of our associates.

Supporting the communities where we live, work, learn and play through philanthropic giving and volunteer opportunities.



Promoting 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. Developing clean technology water solutions that help our customers meet their water challenges and goals is core to our sustainability strategy.

Investing in our associates and creating an inclusive work environment.

Embodying ethical business practices globally and having a diverse leadership team and supplier base.



ESG GOALS AND TARGETS

The combination of Zurn and Elkay did not require us to step back from the goals and targets we had previously established for each of our sustainability pillars. Instead, we have added new targets and updated our safety target to provide better tracking against our long-term sustainability objectives.

ESG GOALS AND TARGETS



ENVIRONMENT

▼ **15%**

Reduce energy consumed per U.S. dollar of operating revenue by **15%** by 2024 (compared to our 2021 baseline)

7.8% 15%

▼ **50%**

Reduce Scope 1 and Scope 2 GHG emissions intensity by **50%** by 2030 (compared to our 2021 baseline)

19.2% 50%



Report on Scope 3 emissions and **establish** and **announce** science-based target for Scope 1, 2 and 3 emissions by 2023



Assessed our material Scope 3 categories to establish a baseline (2022)

▶ **40B**

Achieve 40 billion gallons of water saved annually through the use of our products by 2024

32B 40B

▲ **75%** ✓

Increase revenue derived from products with sustainable attributes to **75%** by 2024

ACHIEVED

NEW

▼ **15%**

Reduce by **15%** NO_x air emissions intensity per U.S. dollar of operating revenue by 2025 (compared to our 2022 baseline)



Report the emissions intensity of air pollutants (NO_x, SO_x, VOC, PM and HAP)² based on fiscal year revenue annually beginning in 2022

⚙️ **<1%**

Maintain less than **1%** of waste directed to disposal as hazardous waste

⊘ **15B**

Prevent the use of at least **15 billion** disposable plastic bottles per year through consumer use of our drinking water products

▶ **\$90M**

Invest \$90 million in engineering and R&D to enhance the sustainable aspects of our products by 2025

ESG GOALS AND TARGETS



HEALTH AND SAFETY

NEW

▼ **10%**

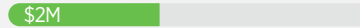
Reduce the Total Recordable Incident Rate (TRIR) by **10%** in 2023 (compared to our 2022 baseline)



COMMUNITIES

♥ **\$5M**

Contribute \$5 million to philanthropic initiatives by 2024



PEOPLE

▲ **80%** ✓

Increase employee engagement survey responses to **80%** by 2024



🚩 ✓

Achieve Associate Inclusion Index above the industry average every year



GOVERNANCE

⚖️ **100%** ✓

Train 100% of associates on Code of Business Conduct and Ethics annually



🚩 **30%**

Achieve 30% female representation on Board of Directors by 2024



📊 ✓

Disclose associate diversity metrics annually



🎗️ **1%** ✓

Provide every associate **1%** of company time to volunteer annually



🏠 ✓

Adopt TCFD reporting framework reporting in addition to SASB by 2022



💰 **8%**

Target 8% supplier spending with diverse businesses* by 2025



NEW

ENVIRONMENT

zurn ELKAY



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19.2%
reduction in greenhouse gas emissions intensity and 7.8% reduction in energy intensity in 2022

86%
of revenue generated from products with sustainable attributes

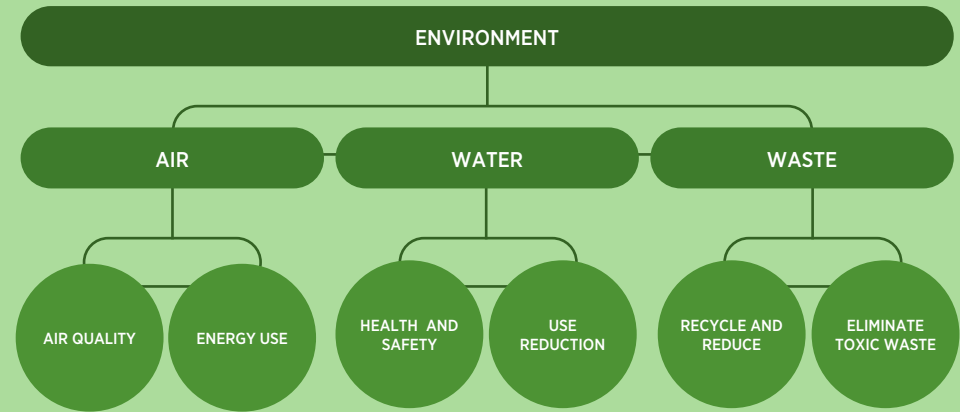
\$90 million
invested in engineering and R&D by 2025

850
products with EPA WaterSense certification, indicating at least 20% less water used compared with standard product

67 billion
single-use plastic water bottles eliminated through the use of Elkay water bottle fillers since 2012

32 billion
gallons of water saved by our products in 2022

In addition to helping our customers meet their sustainability goals, we are diligent in managing our air emissions, water use and waste in our own operations.



ENVIRONMENT

Clean water depends on a healthy environment.

Zurn Elkay seeks to enhance human health and the environment through our premier ecosystem of water safety and control products and our pursuit of sustainable business practices in our operations. 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.

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.



98 billion **67 billion+**

gallons of water saved due to the elimination of plastic water bottles and associated PET plastic production since 2012

use of single-use plastic water bottles prevented since 2012

SUSTAINABLY INSPIRED PRODUCTS

As a leader in clean water solutions, Zurn Elkay plays a direct role in helping our customers build a more sustainable world. Our commitment to protecting the environment inspires us to continue pursuing innovative product designs. We focus on product enhancements that help customers meet their sustainability goals, including conserving water, supporting human health and hygiene, and selecting responsibly manufactured products that make extensive use of recycled materials to reduce waste.

In 2022, Zurn Elkay generated 86% of our revenue from products with sustainable attributes and clean technology. We define products with sustainable attributes based on the European Union's Taxonomy Regulation, which provides a classification system for sustainable activities and can be used as guidance for defining products with sustainable attributes.

For Zurn Elkay's products to be considered [sustainable](#), they must contribute to at least one of the EU Taxonomy's six environmental objectives, do no significant harm to the environment and respect basic human rights and labor standards.

86%

of revenue generated from products with sustainable attributes and clean technology

61%

of Zurn Elkay product sales incorporate recycled materials



SUSTAINABLY INSPIRED PRODUCTS

The [EU Taxonomy's](#) environmental objective of the sustainable use and protection of water and marine resources (objective 3) is directly applicable to Zurn Elkay's water management products. Likewise, Zurn Elkay products that support climate change mitigation (i.e., energy-efficient products that reduce GHG emissions) and products that support climate change adaptation (i.e., technological products for managing water usage) meet each of the six environmental objectives. Additionally, products with high recycled material content support the environmental objective of the protection and restoration of biodiversity and ecosystems (objective 6).



We achieved our goal to increase revenue from products with sustainable attributes to 75% by 2024. To further strengthen our commitment to sustainable products, we have set a target to **spend \$90 million on engineering and R&D by 2025.** This spending will help us advance our development of clean tech products and increase our innovation capacity, which is part of our strategic planning and initiatives.

As a pure-play water company, we focus our clean technologies program on development of sustainable water solutions, including water infrastructure and distribution products, water safety and flow control for pollution prevention, water treatment and purification, and hygienic and environmental pollution controls to ensure water quality and safety. Our clean tech line includes the Zurn Smart connected products suite, which provides for remote monitoring and rapid response to issues, facilitating efficiency and safety. We develop our clean tech products specifically to meet or exceed Leadership in Energy Efficiency and Design (LEED) green building requirements for green-certified properties.

To help us achieve our goal of offering products with sustainable attributes, we design new products based on our commitment to sustainability, aligned with global water conservation standards. Assessing the environmental impact of new products is a key step in our product development process. 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.

While sustainability is a top priority in our product development, we remain committed to upholding the highest quality standards to deliver customer satisfaction. All Zurn Elkay business units operate under quality management systems to consistently provide products and services that meet all applicable customer, statutory and regulatory requirements. The quality management system includes a feedback loop to support continuous improvement and prevent nonconformity, monitoring of product performance, ensuring both product safety and associate safety as part of the Zurn Elkay Business System.

\$90 million

in spending on engineering and R&D by 2025

SUSTAINABLY INSPIRED PRODUCTS

THE BROADER ENVIRONMENTAL BENEFITS OF ELKAY WATER BOTTLE FILLERS



Bottled water is up to **2,000x** more energy-intensive than tap water

6.4M metric tons of GHG emissions avoided since 2012

Over **1.5 million** metric tons of plastic waste reduced since 2012

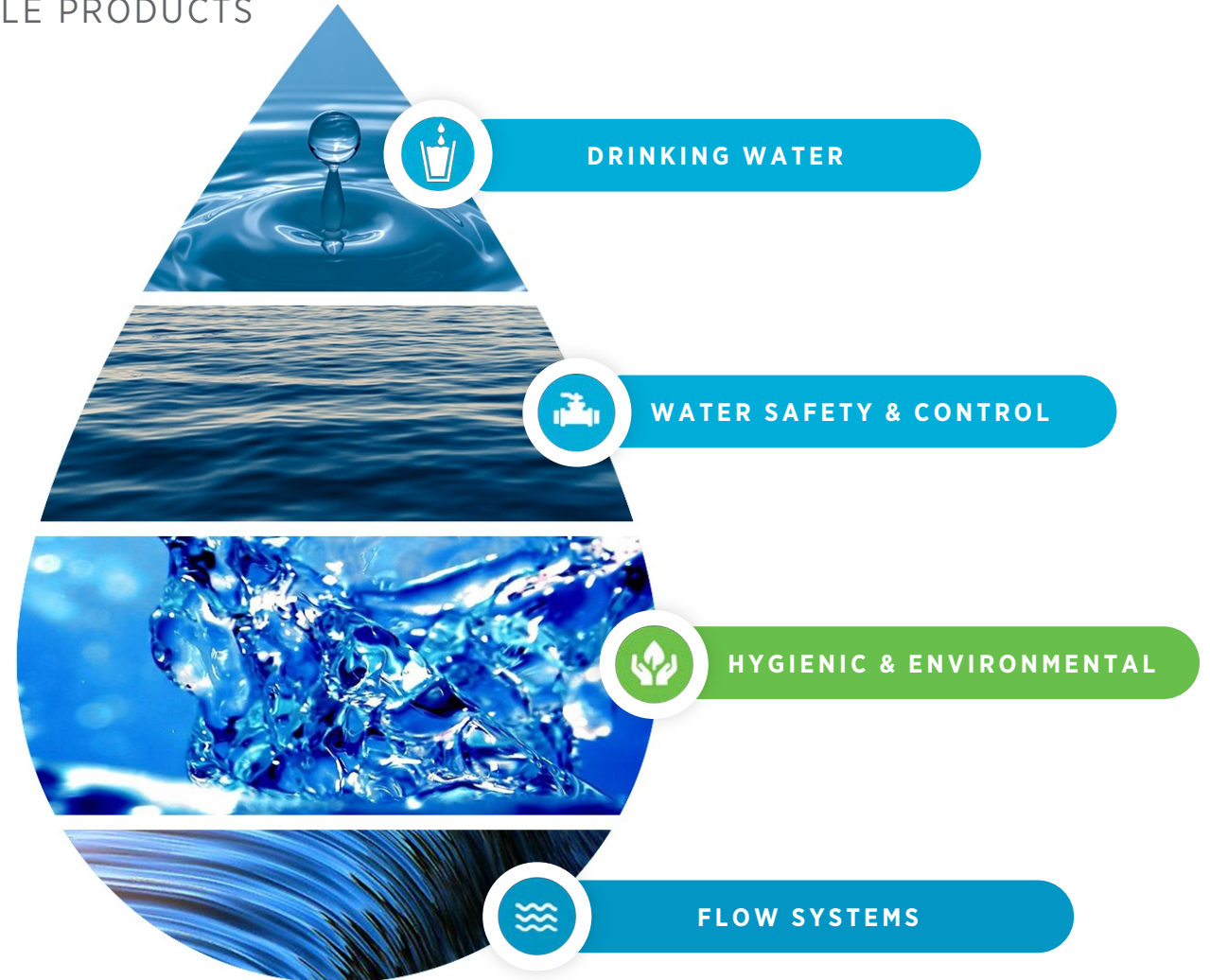
67 billion+ plastic water bottles avoided since 2012

9x the amount of water to make a plastic bottle than to fill it; this value can be over 30x when considering the full lifecycle of PET plastic water bottles

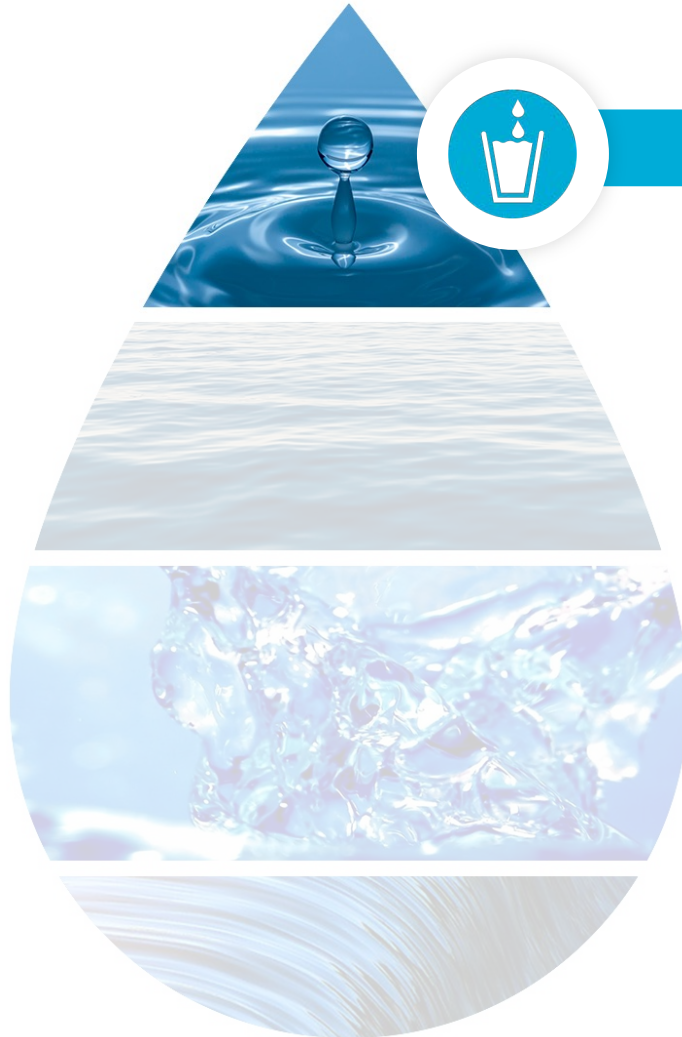
CLEAN TECHNOLOGY: SAFE, RELIABLE AND SUSTAINABLE PRODUCTS

Zurn Elkay Water Solutions is the unrivaled leader in water solutions for health, human safety and the environment.

Our approach to product sustainability starts with our mission to protect water, but we also recognize our responsibility to provide other benefits. We design products that deliver the safety, reliability, quality and performance that our customers demand, while providing the lowest total cost of ownership and environmental impact. Our focus is on making the most efficient use of materials and resources in a product's lifecycle, minimizing the carbon and environmental footprint from product use, while striving to improve health, hydration, safety and quality. This comprehensive view of sustainability helps us deliver the industry's widest range of advanced water management solutions that address critical sustainability issues.



CLEAN TECHNOLOGY: SAFE, RELIABLE AND SUSTAINABLE PRODUCTS



DRINKING WATER

- Elkay's ezH2O® bottle filling stations deliver cleaner, healthier water and reduce the large environmental footprint of creating, distributing and disposing of single-use plastic water bottles. Our third-party-certified filters reduce lead, cysts, chlorine and sediment, while touch-free operation prevents the spread of germs. Our ezH2O® Liv™ filtered water dispensers also comply with the Americans with Disabilities Act accessibility guidelines, delivering accessible hydration to all.
- Elkay's line of filtered water fountains, kitchen faucets and retrofit filter kits deliver the same cleaner, safer drinking water as our bottle fillers. They feature WaterSentry filters that are certified to NSF/ANSI 42 and 53 for requirements such as lead and chlorine reduction as well as taste and odor, providing healthy hydration options for a range of commercial, educational and residential settings.



CLEAN TECHNOLOGY: SAFE, RELIABLE AND SUSTAINABLE PRODUCTS



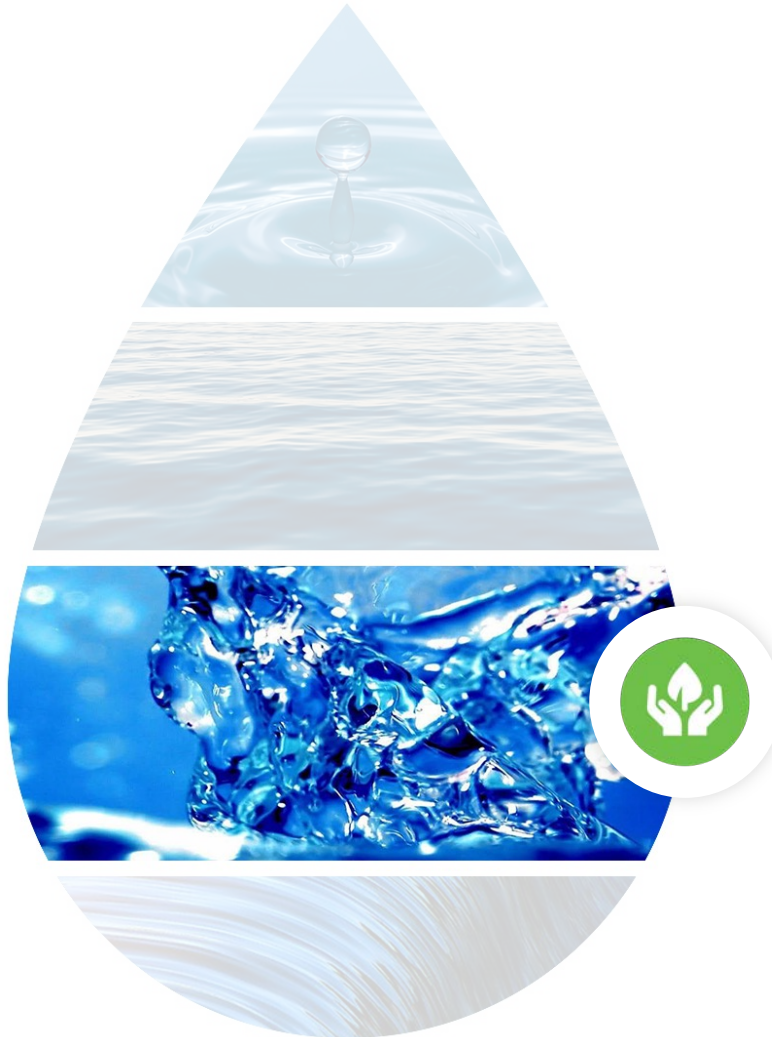
- Wilkins high-performing backflow preventers protect clean drinking water by preventing the reverse flow of unclean or contaminated water into the potable water system. Our connected flood control integrated system backflow preventers also optimize water conservation and system uptime by monitoring flow performance and providing data on water consumption, relief valve discharge, pressure and flow trends to help building owners with predictive maintenance.

WATER SAFETY & CONTROL

- Our pressure reducing valves reduce the water supply pressure for commercial buildings and homes, helping conserve water and energy; lowering pressure from 100 psi to 50 psi can reduce water consumption in the average household by around 33%. Additionally, these valves relieve demand on water distribution systems and sewage treatment facilities while extending the life of pipes, faucets and appliances.



CLEAN TECHNOLOGY: SAFE, RELIABLE AND SUSTAINABLE PRODUCTS



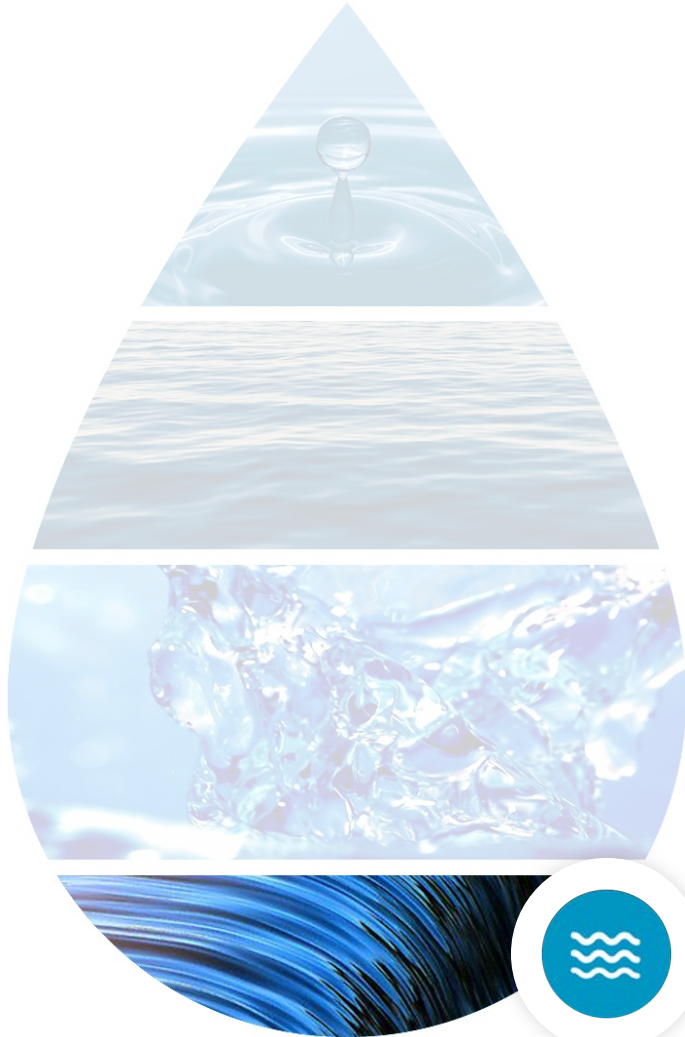
- We offer a range of faucets, flush valves, toilets, urinals and pre-rinse spray valves that exceed EPA water efficiency standards. For example, Zurn's CEC-compliant* faucets use 0.35 gallons per minute (gpm), well below the EPA WaterSense maximum of 1.5 gpm. Zurn's EcoVantage® toilet flushometer uses 1.10 gallons per flush (gpf), which is below the EPA WaterSense standard of 1.28 gpf.
- Our World Dryer hand dryers save trees, reduce emissions from paper towel production and create a more sanitary experience. By drying hands in as little as 12 seconds, our VERDEdri® touchless dryers use only 3.16 watts of electricity per hour and feature a HEPA filter that captures 99.97% of particles sized 0.3 μm or larger. In 2022, our World Dryer hand dryers eliminated the need for 4 billion paper towels, saving 166,000 trees.

HYGIENIC & ENVIRONMENTAL

- Our Hadrian restroom partition business was the first manufacturer in the industry to embrace powder coating technology, which produces virtually no waste and requires less energy. Today, Hadrian stainless steel restroom partitions include 91% recycled content, while our powder coated restroom partitions and lockers include 50% recycled content and our solid plastic restroom partitions include a minimum of 30% pre-consumer recycled content.



CLEAN TECHNOLOGY: SAFE, RELIABLE AND SUSTAINABLE PRODUCTS



- Our Zurn Z100 FLOFORCE™ high-performance roof drain technology provides the most efficient water evacuation to remove excess water and prevent problems that can occur when water pools atop building roofs. FLOFORCE™ drains feature an innovative dome and gravel guard design to maximize water flow while limiting debris and allow for a reduced piping system size that saves labor and material costs. We also include options for green roofs that allow for rainwater absorption, provide insulation and create a habitat for wildlife.
- Our Zurn grease interceptors deliver market-leading separation and capture of wastewater grease, food solids and sediment before they enter public sewage systems. Real-time monitoring of grease and oil level, sludge level and even temperature eliminates unnecessary opening of the interceptor, signaling the most efficient time to pump.



FLOW SYSTEMS



HELPING CUSTOMERS MEET SUSTAINABLE BUILDING GUIDELINES

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.

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 gpf urinals, helping building owners exceed the LEED 30% threshold.

Additionally, we offer 850 products that carry EPA WaterSense certification, a significant expansion over the 546 WaterSense-certified products that we offered in 2021. These products help building owners achieve water efficiency LEED points and include hygienic sensor-operated flush valves and faucets, connected faucets and flush valves, manual and metering faucets, and Water Saver showerheads.



850

products that carry EPA
WaterSense certification



87%

water consumption savings by Zurn
Omni-Flo™ urinals over traditional
1.0 gallon per flush urinals

HELPING CUSTOMERS MEET SUSTAINABLE BUILDING GUIDELINES



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. Building projects earn points for sustainable features that address specific health and wellness priorities in the **WELL categories**, with scores corresponding to certification levels: **Silver** (50 points); **Gold** (60 points) and **Platinum** (80 points).



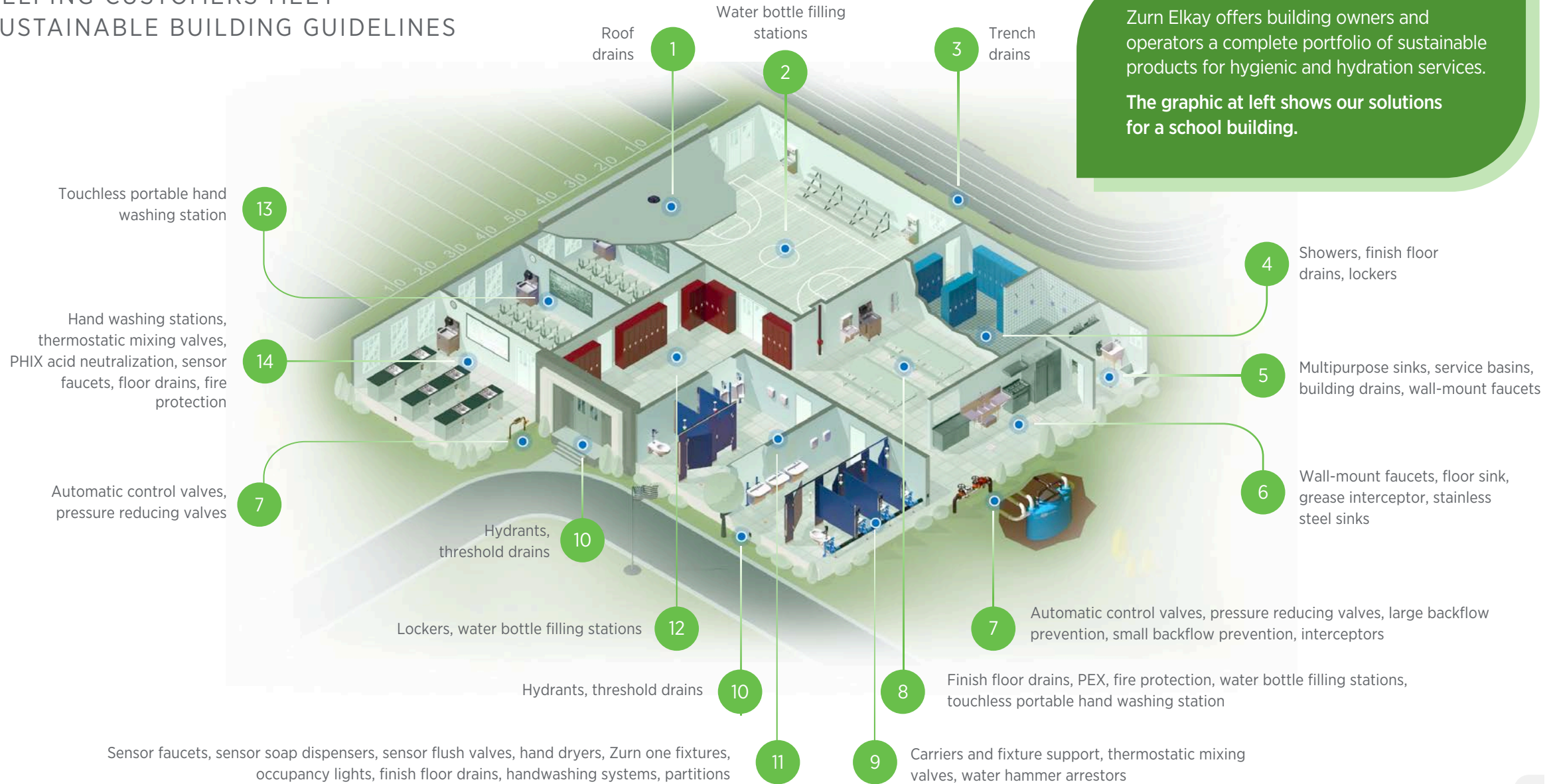
Zurn Elkay helps building owners achieve **WELL Certification** with a high-performance portfolio that advances human health and well-being in any facility type. We offer more than a dozen product categories that may contribute to **WELL points** for enhancing bathroom accommodations, reusing non-potable water and reducing surface contact. **For example:**

Categories	Points
Trench drain	1
Floor drains	1
Touchless sensor flush valves	1
Fixture systems	1
Changing tables	1
Lavatory	1
Bottle fillers	1
PEX pipe fittings	2
Touchless sensor flush valves	2
Manual flush valves	2
Touchless sensor faucets	2
Touchless soap dispensers	2
Hand dryers	2
Hand washing systems	2

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.

HELPING CUSTOMERS MEET SUSTAINABLE BUILDING GUIDELINES

Zurn Elkay offers building owners and operators a complete portfolio of sustainable products for hygienic and hydration services. The graphic at left shows our solutions for a school building.



HELPING CUSTOMERS MEET SUSTAINABLE BUILDING GUIDELINES



STANDING BEHIND OUR SUSTAINABILITY WITH HEALTH PRODUCT DECLARATIONS

Building owners pursuing the **WELL** v2 and **LEED** building certification need confidence that the products they choose don't contain materials that are hazardous to human health. To ensure that our customers have access to this important information, we created health product declarations (HPDs) for several of our products. HPDs provide transparency regarding all the materials used to build individual products.

We have completed seven HPDs for various product families. This includes two HPDs that cover six drains, one Crosstown® sink HPD that covers 14 models and four HPDs that cover 2,300+ U.S.-made stainless steel sinks. We remain committed to helping customers meet a variety of sustainability guidelines, and we will continue to assess the creation of HPDs for the Zurn Elkay product portfolio.

STUDYING THE LIFECYCLE OF OUR PRODUCTS

We know our customers care deeply about the sustainability of their building and retrofit projects. That's why 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. By conducting LCAs alongside environmental product declarations and health product declarations we give our customers additional confidence when choosing Zurn Elkay products to achieve their own sustainability goals.

The LCA initially covered eight models of Elkay stainless steel sinks, but we have extended it to several other stainless steel sink models. 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. It's a first step to give us the information we need to achieve our goal of scaling up our LCA coverage and to inform product development processes over time.

Based on the final LCA report of the U.S.-made sink models, we will also create an environmental product declaration (EPD). An EPD documents a product's full environmental impact, including raw materials used in manufacturing, energy used during manufacturing and distribution, and ongoing impacts related to the product's use. We expect to complete this EPD early in 2023.



STUDYING THE LIFECYCLE OF OUR PRODUCTS

To reduce paper waste associated with our products, we are **transitioning away from printed instructions** and manuals for our finish plumbing products, instead providing customers with **QR codes to scan for information**.

We continued to implement other strategies to improve the end-to-end sustainability of our products during 2022.

On average, Elkay stainless steel sinks manufactured in the U.S. contain over **75% recycled content**.

We continue to assess our packaging processes to identify improvements. In 2022, one of our facilities switched 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.



THE ZURN ELKAY ENVIRONMENTAL MANAGEMENT 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.

THE ZURN ELKAY EMS INCLUDES:

MANAGEMENT PLANS

Assessment and management plans based on identified risks. Zurn Elkay's director of EH&S oversees management of our EMS program and audits

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. Externally, the company's Environmental and Sustainability Policy is communicated on the company's public website, and when necessary, the corporate risk management and external communications teams work together to engage customers, community members, elected officials and the media on environmental issues



RISK IDENTIFICATION AND MITIGATION

Standard procedures for identifying potential environmental risks at each facility, including air emissions, water sources and discharges, generated wastes and spill potential. We modeled 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



REGULATORY COMPLIANCE TRACKING

A detailed compliance calendar to capture regulatory and corporate obligations, such as regulatory permit requirements, reporting deadlines, employee awareness training and regular risk reviews that provide a closed-loop process to ensure accountability



CORRECTIVE ACTIONS TO STIMULATE CONTINUOUS IMPROVEMENT

Data collection on any environmental findings to develop action plans and corrective actions, aimed at continual improvement

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 **review** documentation and training, facility conditions and associate interviews against 11 environmental sections.

We **break down** the environmental audit into questions tied directly to a regulatory or compliance requirement and operational and management system questions that are tied to a Zurn Elkay best management practice.

We **manage** audit checklists and corrective actions through our online environmental health and safety (EHS) management tool, which ensures timely completion and effectiveness of assigned corrective actions.

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 Ten Environmental Principles:

PRINCIPLE 7: Adopt a precautionary approach to environmental challenges

PRINCIPLE 8: Conduct environmentally responsible activities

PRINCIPLE 9: Encourage the development and diffusion of environmentally friendly technologies

ENERGY USAGE AND INTENSITY

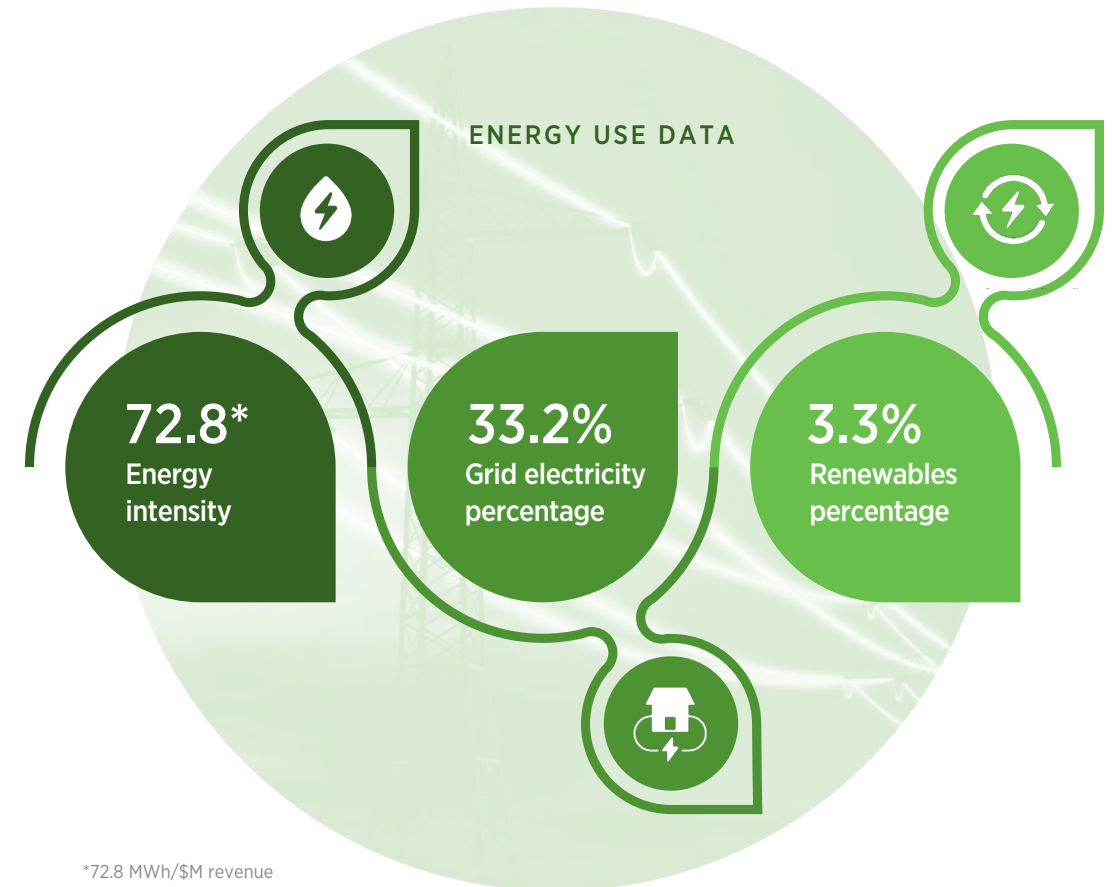
We are committed to reducing our overall energy consumption. We have set a target to reduce our energy intensity (normalized against revenue) by 15% by 2024 (compared to our 2021 baseline), and we include energy management in our annual strategic planning process to help us pursue that goal. Site leadership, the corporate environmental team and other site stakeholders will work together to identify and implement energy reduction projects as we work toward our target.

The combination of Zurn and Elkay in 2022 changed our company's overall energy usage baseline due to higher energy requirements at some Elkay manufacturing facilities. Our adjusted 2021 baseline is 78.9 MWh/\$M revenue; in 2022 our energy intensity measured 72.8 MWh/\$M revenue, a 7.8% year-over-year reduction in energy intensity for the combined Zurn Elkay.

To gain a better understanding of our energy usage and develop appropriate energy reduction plans, 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.

Along with this top-down assessment of our energy use, we are also expanding our efforts to engage associates directly in our energy reduction efforts. In 2023, we will be extending the use of Energy Councils to all Zurn Elkay facilities.

Energy councils include key personnel such as managers and plant maintenance professionals who have detailed knowledge of each site's energy use. Engaging these teams in discussions about our companywide energy reduction targets will help us solicit new ideas for energy reduction projects at each facility.



*72.8 MWh/\$M revenue

ENERGY USAGE AND INTENSITY

CASE STUDY

Electricity-saving Improvements in Our Facilities

We are continually evaluating our equipment and processes to reduce the amount of electricity we use at our facilities. In 2022, we completed projects at several locations that significantly reduced electricity demand.

Lighting in our manufacturing facilities, warehouses and offices represents a significant portion of our overall energy use. Modern LED fixtures offer a way to reduce our energy use and improve working conditions. They are 60% to 80% more efficient than traditional fixtures yet provide better illumination for the safety and productivity of our associates. In 2022, we surveyed our facilities to determine their percentage of LED lighting use, and the results identified 12 facilities that are priority targets for lighting upgrades. Two of the projects completed in 2022 demonstrate the impact of this program.

Our warehouse in Commerce, Texas, was one of the largest electricity user in the Zurn Elkay footprint due to its antiquated lighting system. In 2022, we executed a lighting upgrade initiative at this facility that replaced 216 warehouse fixtures, 270 office fixtures and 36 exterior/parking lot fixtures with high-efficiency LED fixtures, which will save more than 327 MWh of electricity annually and reduce our GHG emissions by 122 metric tons.

At our warehouse in Norcross, Ga., we replaced 208 fixtures with high-efficiency LED lights, saving more than 173 MWh of electricity annually and reducing our GHG emissions by 65 metric tons.

We also focused on electricity usage by air compressors at our Just Manufacturing facility in Franklin Park, Ill. After identifying and repairing several leaks in the system, we have reduced annual electricity use at this site by 122 MWh annually.



ENERGY USAGE AND INTENSITY



CASE STUDY

Reducing Natural Gas Usage at Hadrian Manufacturing Facilities

In addition to electricity reductions, we look for ways to reduce our natural gas consumption. For example, our Hadrian manufacturing facilities prepare parts for coating by cleaning them in natural-gas heated wash tanks.

In 2022, we completed a project to reduce the amount of natural gas needed to operate those tanks. The chemicals used in our wash solution can operate in a wide range of temperatures, so each facility began reducing the temperature of the solution by 5°F a week. After each wash, our team inspected the parts coming out of the tanks to ensure there was no impact on quality. When this process ultimately reached a point where the lower temperature affected quality, we raised the temperature slightly—creating a new baseline operating temperature.

This diligent approach allowed our facilities to reduce wash tank temperatures by 23% on average, reducing natural gas usage by 2,019 MWh annually.

GHG EMISSIONS AND CARBON REDUCTION PROGRAM

The urgent threat presented by climate change requires a global effort to reduce carbon emissions. We are committed to doing our part through our plan to cut our carbon emissions intensity in half by 2030 (compared to our 2021 baseline).

The combination of Zurn and Elkay in 2022 required us to consolidate energy and emissions data between the two companies, recalculate the GHG baseline in accordance with the GHG Protocol Corporate Accounting Standard, analyze the results and incorporate this new information into our strategic planning process. Our 2021 emissions intensity baseline is 20.8 metric tons CO₂ equivalent (CO₂e) per \$M revenue, and our carbon intensity in 2022 was 16.8 metric

tons CO₂e/\$M revenue, a 19.2% reduction in carbon intensity between 2021 and 2022 for the combined Zurn Elkay.

The energy reduction projects described in the previous section will help reduce our GHG emissions. In addition to these projects, we continued taking steps in 2022 to reduce our GHG emissions through renewable energy procurement:

SCOPE 1 AND SCOPE 2 EMISSIONS*, 2021-2022

	ZURN ELKAY 2021	ZURN ELKAY 2022
SCOPE 1	13,254	13,256
SCOPE 2	17,440	13,264

* metric tons CO₂e

THIRD-PARTY GHG VERIFICATION

In early 2023, we received third-party verification of our 2022 Scope 1 and 2 greenhouse gas inventory. This is the widely used limited-verification level of assurance, following the ISO 14064 standard where at least 70% of the GHG inventory has been reviewed.

RENEWABLE ENERGY CERTIFICATES

In May, we signed contracts with utility providers at four of our facilities to purchase renewable energy certificates (RECs). RECs represent the purchase of renewable energy that is added to the electrical grid, and they help companies address indirect GHG emissions associated with purchased electricity (Scope 2 emissions). Our REC contracts covered 2,929 MWh and saved 1,065 metric tons of CO₂e in 2022.

ON-SITE RENEWABLE POWER GENERATION

Building on the success of our solar panel installation at our Paso Robles, Calif., location, we continue to investigate opportunities for on-site solar across our facilities to broaden our utilization of renewable energy. Our solar array produced 907 MWh and saved 212 metric tons of CO₂e in 2022.








GHG EMISSIONS AND CARBON REDUCTION PROGRAM

Recognizing the importance of accounting for upstream and downstream emissions in our value chain, we conducted an assessment of the Scope 3 categories that are material to our business to help us establish a Scope 3 inventory baseline this year. In the [ESG Content Index](#), we provide our Scope 3 emissions resulting from each of the seven relevant categories described to the right.

Our Scope 3 GHG emissions assessment 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.

SCOPE 3 ASSESSMENT

Material Scope 3 categories:

	Category 1	>	Purchased goods and services
	Category 3	>	Fuel- and energy-related activities
	Category 4	>	Upstream transportation and distribution
	Category 5	>	Waste generated in operations
	Category 6	>	Business travel
	Category 7	>	Employee commuting
	Category 9	>	Downstream transportation and distribution

GHG EMISSIONS AND CARBON REDUCTION PROGRAM

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

ALIGNING WITH TCFD AND CDP






For the first time, Zurn Elkay has aligned its reporting to the TCFD framework as part of our continued evaluation of internationally recognized standards. See the [ESG Content Index](#) for our detailed approach to managing and reporting on climate-related governance, strategy, risk management, and metrics and targets in alignment with the TCFD recommendations. In addition, we completed a climate-related risk assessment of our facilities to enhance our TCFD reporting and evaluate potential physical and transitional risks.

We continued to submit a CDP Climate Change questionnaire for Zurn's 2021 operations and submitted the CDP Water Security questionnaire for our 2021 operations to disclose our current and future water-related risks and opportunities and help improve our water management practices. Next year's CDP Climate and Water submissions will cover the addition of the Elkay business as well.



AVOIDED GHG EMISSIONS

Zurn Elkay provides a range of sustainable products that help customers avoid GHG emissions while providing other environmental benefits:


World Dryer energy-efficient hand dryers replace paper towels, helping avoid GHG emissions in the energy-intensive paper manufacturing process:

-  Paper towels replaced in 2022: **4 billion+**
-  Trees saved per year: **166,000**
-  Water savings in 2022: **230 million gallons** throughout the lifecycle of paper towels
-  Paper industry GHG emissions avoided in 2022: **60,000+** metric tons CO₂e
-  Customer energy savings in 2022: **16 million+** kWh, resulting in over **6,000** metric tons of GHG emissions avoided

Zurn's PEX piping systems for plumbing and heating conserve water and reduce energy usage:

-  Customer energy savings in 2022: **6.8 million** kWh
-  GHG emissions avoided from hot water energy savings: **2,500** metric tons CO₂e annually

Elkay water bottle fillers reduce the substantial carbon footprint associated with the manufacturing and distribution of single-use plastic water bottles:

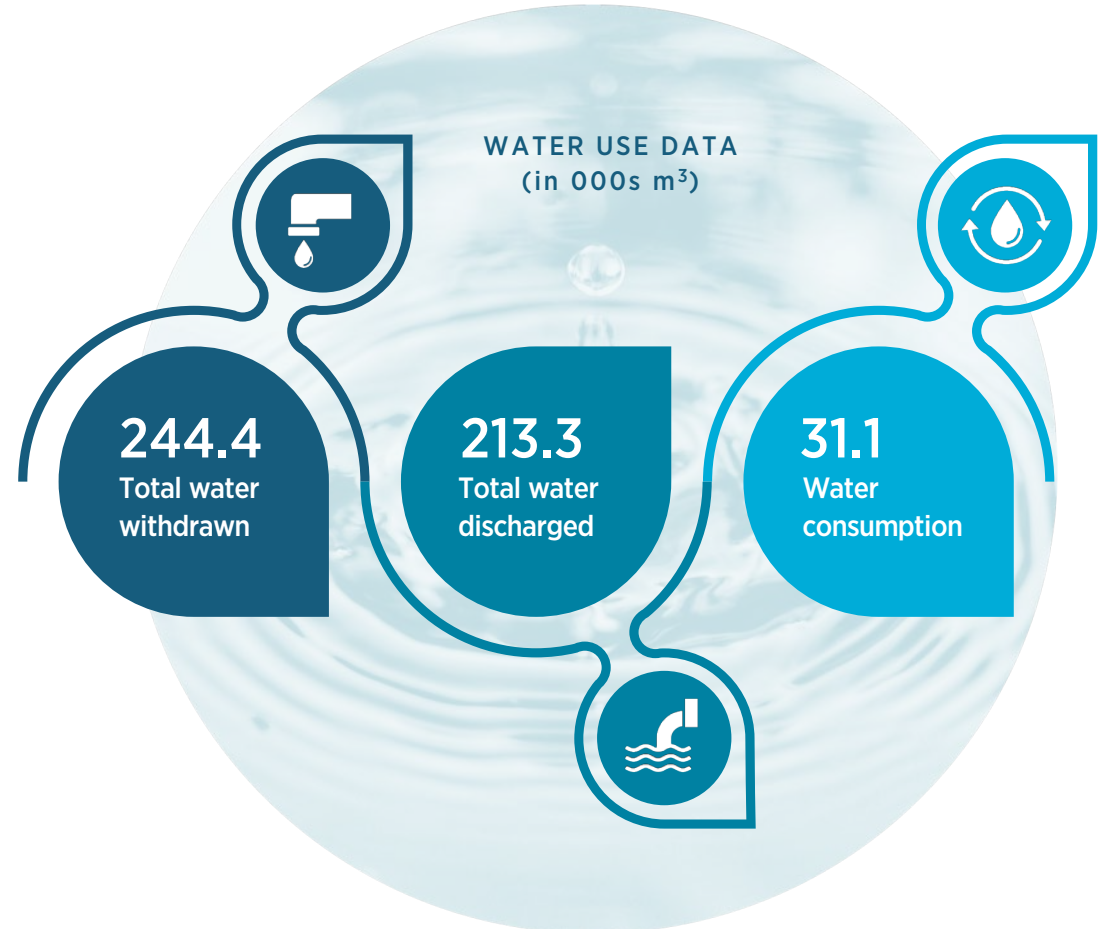
-  Single-use plastic water bottles avoided since 2012: **67 billion**
-  GHG emissions avoided in 2022: **1.72 million** metric tons CO₂e
-  PET plastic waste avoided in 2022: **426,000** metric tons

WATER CONSUMPTION

Our role as water stewards requires us to be as diligent about managing water use in our own operations as we are about creating products that help customers conserve water. We are committed to monitoring and analyzing our water consumption and discharge and to continually seek ways to reduce our water usage.

We employ a multi-tiered approach to water management at our facilities, with responsibility shared across the entire organization. Facility general managers take the lead on monitoring and improving water consumption and intensity at their sites, reporting their efforts to corporate Environmental Health and Safety (EHS) staff members. Our COO, as well as our EVP and VP of risk management, provide senior-level oversight for EHS staff and facility general managers. In addition, our ESG Steering Committee provides further oversight of companywide water management efforts. 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. The majority of our net water consumption is the result of evaporation losses from the heated wash tanks at several of our manufacturing facilities.



WASTE RECYCLING, 2022

(metric tons)

TOTAL NONHAZARDOUS WASTE	19,275.0	99.89%
Nonhazardous Waste Recycled	7,007.0	36.32%
Nonhazardous Waste Reused	132.0	0.68%
Nonhazardous Waste to Non-Landfill ³	55.0	0.29%
Nonhazardous Waste to Landfill	12,080.0	62.61%
TOTAL HAZARDOUS WASTE	21.0	0.11%
Hazardous Waste Recycled	0.6	<0.01%
Hazardous Waste to Non-Landfill	16.0	0.08%
Hazardous Waste to Landfill	4.4	0.02%
Total Waste	19,296.0	100.00%

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.

For example, in 2022 we piloted a new program at our manufacturing facility in Broadview, Ill., to directly engage employees in our sustainability efforts. We convened a local “Green Team” made up of the plant manager, the maintenance manager and key office and shop floor associates to focus on energy efficiency, water efficiency and sustainable waste management at the site. In one of the location’s first projects, the Green Team examined materials being sent from the facility to the landfill to identify opportunities to reduce or divert that waste.

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.

HEALTH AND SAFETY



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80%

of associates met their wellness threshold

0

product recalls for safety reasons

71%

water consumption savings by schools using our BrightShield fixtures

740

associates participated in step tracking or other activities

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HEALTH AND SAFETY

Access to clean and reliable water is fundamental to human health and wellness. We support the well-being of our customers, associates and community through our water safety and control products that help maintain health and hygiene. Additionally, we deliver a work environment that promotes the safety and well-being of our associates. We exemplify our commitment by our inclusion of health and safety as one of our five sustainability pillars.



PRODUCTS THAT PROMOTE HEALTH AND SAFETY

Safety is central to our mission as a sustainable water solutions provider. Our products help to suppress fires, keep pollutants out of the water supply, reduce the spread of germs, improve water quality for hydration, facilitate medical treatments and more. Because Zurn Elkay products play such critical roles, they must perform to the highest product safety standards, including NSF International, American National Standards Institute (ANSI), American Society of Mechanical Engineers (ASME), ASSE International, CSA Group, American Water Works Association (AWWA) and Underwriters Laboratory (UL).

In 2022, we did not recall any products for safety reasons. This strong performance reflects our commitment to prioritizing safety and quality at every stage of the product lifecycle, from design and manufacturing to installation and operation. Our comprehensive approach also includes policies and practices to continually monitor and improve the safety of our products.



We design 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 incorporate health and safety requirements, including federal and state regulations, into every stage of a product's lifecycle, from concept to use and disposal

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



Our governance program assigns responsibility for overseeing quality and regulatory standards to our sector leaders and trains our engineering and manufacturing associates on expectations and processes to ensure a rapid, effective and coordinated response to any potential product quality or safety issue



We believe this process is essential for any manufacturer, but it is especially important for Zurn Elkay because of our role in supporting our customers' health and safety priorities. Many of our products are dedicated to promoting hygiene and safety, ranging from touch-free faucets that reduce the spread of germs in high-traffic public buildings to specialized products for medical, research and industrial facilities.

PRODUCTS THAT PROMOTE HEALTH AND SAFETY

Knowing that our customers have unique goals and operate under different regulatory requirements, we tailor our products to meet a range of needs. For example, our industry-leading portfolio of products that promote health and hygiene includes:

Our ZurnSHIELD™ glaze protects sinks, toilets and hand dryers by inhibiting the growth of stain and odor causing mold, mildew and bacteria, making the products easier to clean, saving time and water

Backflow preventers that preserve water quality and help prevent waterborne illnesses by keeping unclean or contaminated water out of drinking water supplies

Touch-free faucets, drinking fountains and bottle fillers that reduce the spread of viruses and bacteria in offices, schools and commercial buildings

Advanced water filtration solutions to remove harmful contaminants from drinking water, including lead and other particulates

CuVerro® copper alloy antimicrobial sinks reduce the spread of bacteria

We also provide water management solutions that make buildings safer for their occupants. For example:

We offer several configurations of roof drains, exterior trench and threshold drains and parking deck drains that remove unwanted water

Our fire suppression product portfolio includes backflow preventers, in-building risers, automatic control valves, pressure relief valves and hose connectors to provide reliable fire suppression that meets rigorous compliance requirements



PRODUCTS THAT PROMOTE HEALTH AND SAFETY

FILTRATION: PROVIDING SAFER DRINKING WATER FOR STUDENTS

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 because their growing bodies absorb more lead than adults. 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. Last year, an estimated 13 million American children went to schools with elevated levels of lead in the drinking water. Without a federal mandate, only 15 states require school drinking water testing. The necessary replacement of lead service lines to U.S. schools is estimated to cost \$56 billion, with a 10-year timeframe per project.

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.

This innovative product line upholds our commitment to providing safer, healthier water and protecting the environment and the communities where we work, live, learn and play.

“

If they don't have clean water at home at least they have clean water at school.



PRODUCTS THAT PROMOTE HEALTH AND SAFETY



SUPPORTING HEALTHY AND HYGIENIC RESTROOMS

With millions of people returning to work and school, lessons from the COVID-19 pandemic have highlighted the need to promote better hygiene in commercial buildings, health care facilities and schools and reduce the spread of germs. We stepped up in 2022 with a solution to help schools easily make their buildings cleaner: BrightShield hygienic upgrade bundles.

Launched in 2021, BrightShield is our integrated suite of hygienic products that includes touchless faucets and flush valves, hand dryers with HEPA filtration, and touchless water fountains and bottle fillers.

Our simple approach to combining products can help keep people healthy and safe from viruses, while also conserving water and saving money. A typical school, for example, could reduce its water consumption by 71% using BrightShield fixtures and achieve 99% cost savings by using our hand dryers instead of paper towels.



PRODUCTS THAT PROMOTE HEALTH AND SAFETY

CASE STUDY

Protecting students from the threat of lead in drinking water

Across the United States, roughly 13 million children attend schools with elevated levels of lead in the drinking water. Lead is a hidden threat—you can't smell it or taste it—but its effects can be devastating. The U.S. Centers for Disease Control and Prevention warns that no level of lead exposure is safe for children, and that ingestion of the heavy metal can lead to neurological issues including slowed growth, impaired learning and behavior problems.⁴

Zurn Elkay is committed to helping school districts protect their students from lead exposure through our clean water solutions. Many of our Elkay bottle filling stations, drinking fountains, water coolers and filtration products are independently tested and certified to NSF/ANSI Standard 53. Standard 53 certification means a filter effectively reduces lead from 150 parts per billion (ppb) to less than 5 ppb, well below the EPA's action level of 15 ppb. Besides reducing lead levels, our touchless drinking water products help prevent the spread of germs and provide an easy, cost-efficient way to bring clean, safe water into school buildings.

For example, educators at the Equitas #3 Charter School in Los Angeles know all too well the challenges of providing clean drinking water to students. Following the COVID-19 pandemic, administrators decided that students shouldn't use the school's legacy water fountains. Instead, they relied on 5-gallon jugs to provide clean water to their students, with teachers and

administrators often carrying empty jugs to a nearby store to refill. Zurn Elkay donated two bottle filling stations to the school, providing a filtered water solution with a touch-free experience—delivering cleaner water, reducing the spread of germs, and letting educators focus on the emotional and intellectual needs of their students.

Zurn Elkay is working with many other schools to provide clean water for students, with districts often using money from the Elementary and Secondary School Emergency Relief Fund to upgrade water stations. For example, Chesapeake Public Schools in Virginia recently installed 200 Elkay water bottle fillers for its students, while Albuquerque Public Schools in New Mexico added three bottle fillers per school for its 75,000 students.

While protecting kids from lead exposure and providing a cleaner, more hygienic hydration solution, our water bottle fillers also protect the planet by reducing waste from single-use plastic water bottles. Kids in Albuquerque were so excited about their schools' drinking water improvements that they held a reusable water bottle design contest.

These benefits inspire us to continue helping schools address the acute issue of elevated lead levels in drinking water, while also contributing to the overall sustainability of our schools.



SAFETY IN OUR FACILITIES

While we maintain our position as an industry-leading provider of products that support health and safety, we must also ensure that we manufacture those products under the safest possible working conditions for our associates. Our vision continues to be a future with zero workplace injuries, and as we progress toward that vision we **have set a goal to reduce our Total Recordable Incident Rate (TRIR) by 10% by 2023**. The combination of Zurn and Elkay also allowed us to enhance our approach to workplace safety by taking the best elements from each company's policies and practices.

While both Zurn and Elkay operated under mature environmental health and safety (EHS) policies, each company took a slightly different approach to managing facility safety. Zurn's model emphasized oversight from EHS professionals who supervised specific facilities, while Elkay's model relied on teams of local associates responsible for safety at

each location. Recognizing that each model has value, we've moved forward with a combined EHS approach that includes local safety teams and centralized EHS professionals.

Zurn Elkay's Risk Management function oversees the company's EHS approach and activities. 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. Regional EHS staff report to Zurn Elkay's Corporate Risk Management Team.

EB TÉCNICA MEXICANA RECOGNIZED AS A SAFE AND HEALTHY WORKPLACE

Elkay's EB Técnica Mexicana sink factory in San Luis Potosí, Mexico, received ELSSA recognition in 2022. ELSSA is a voluntary program for companies to implement strategies that improve the health, safety and well-being of workers, while also improving quality and productivity in the workplace. Companies receive ELSSA recognition based on 10 criteria, including the prevention of workplace injuries, the promotion of health and wellness programs, and occupational health training. The ELSSA award recognizes EB Técnica Mexicana's efforts to provide a safe and healthy workplace to protect its greatest asset—its associates.



ELSSA
ENTORNOS LABORALES
SEGUROS Y SALUDABLES



HEALTH AND SAFETY AUDITS

Internal health and safety audits are a fundamental management tool in our program. 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.

We review each of these items against 36 health and safety sections

We break down the health and safety audit into questions tied directly to a regulatory requirement and those tied to a Zurn Elkay best management practice

We manage audit checklists and corrective actions through our online EHS management tool, which ensures completion and effectiveness of assigned corrective actions





HAZARD IDENTIFICATION, RISK ASSESSMENT AND INCIDENT INVESTIGATION

Our EHS management system provides multiple tools for our associates to proactively identify safety, ergonomic and other occupational hazards in the workplace. Our management system includes several elements in line with ISO 45001, including hazard identification, assessment of risks, elimination of hazards, management of change, contractors, emergency preparedness and response, internal audit, management review, corrective action and continual improvement. All sites are required to complete and review job safety analysis documents on an annual basis. This process is driven by several tools, including a written program and a hazard analysis tool that identifies and scores the risk related to specific job tasks. For all assessed risks, we identify and implement corrective actions following the hierarchy of controls method. Once we have tracked corrective actions to completion, we reassess the task and give a residual risk rating that EHS professionals must approve.

Associate engagement is one of our core values. We drive engagement with our EHS system through programs that provide associates at all levels the opportunity to report workplace hazards. An example of this is our PAIN (Potential Accident I Noticed) Program, which allows any associate to manually or electronically fill out an observation card to report a near miss or provide ideas to improve a process. We manage PAIN observations electronically and can assign corrective actions through email. Other opportunities for EHS engagement include associate-run safety committees and involvement in our incident investigation teams.

Our program also includes an incident investigation process that consists of:

A written program

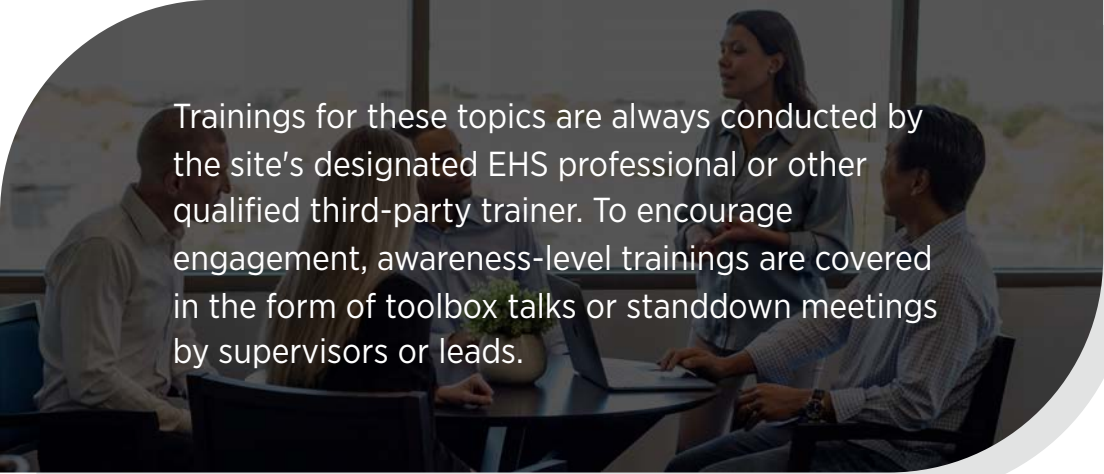
First report of
incident documents

Investigation documents

We take all incidents—both injury and noninjury—within Zurn Elkay seriously and fully investigate each one to determine its root cause. We track these incidents and corrective actions electronically through our EHS management software system to prevent recurrence and ensure the effectiveness of our response.

OCCUPATIONAL HEALTH AND SAFETY TRAINING FOR ASSOCIATES

Associate training and engagement is another key component of our overall EHS program. 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, emphasizing the five cardinal safety rules. On average, each Zurn Elkay shop associate receives 16 training hours on applicable topics annually.



Trainings for these topics are always conducted by the site's designated EHS professional or other qualified third-party trainer. To encourage engagement, awareness-level trainings are covered in the form of toolbox talks or standdown meetings by supervisors or leads.

CARDINAL SAFETY RULES



Lockout/Tagout



Electrical Safety



Confined Spaces



Machine Guarding



Fall Protection

MEASURING SAFETY PERFORMANCE

We are committed to achieving the highest level of safety for our associates. In 2022, there were zero employee fatalities, and we reduced our TRIR at our facilities. 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).

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 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

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.

Our Contractor Safety Program includes steps to ensure safety at every stage of the relationship between our company and our contractors.

Prequalification

- We conduct contractor screenings for safety performance and risks
- All new contractors must review and provide written agreement to our EHS standards

Onboarding

- We offer training on EHS operational guidelines for all new contractors
- Each contractor receives orientation on our EHS expectations from a Zurn Elkay host

Ongoing

- We conduct regular reviews of the Contractor Safety Program managed through our EHS compliance calendar
- We use internal EHS audits to measure conformance with the Contractor Safety Program

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

ASSOCIATE WELLNESS

Ensuring safe working conditions is just one part of our commitment to our associates. We also work to create conditions that support our associates' everyday health and wellness. We believe this ongoing support is essential to our success, because healthier and happier employees perform better and create a positive work culture. Offering robust health and wellness benefits also helps recruit and retain the people that we depend on to achieve our business and sustainability goals.

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, with preventive health activities such as annual physical exams, mammograms, colonoscopies and other age- or gender-related screenings, and dental exams providing the largest contributions to wellness points. Associates can use their wellness points to reduce the cost of their annual health care premiums.

More than 80% of associates participate in our wellness program, taking advantage of opportunities such as:

- Sleep tracking, weight management and stress management tools
- Recurring wellness challenges for fitness, sleep and nutrition goals
- An on-site gym at several of our facilities

ASSOCIATE HEALTH AND WELLNESS PROGRAM STATISTICS

80% of associates met their wellness threshold

1,297 number of preventive screenings

1,193 number of preventive dental visits

740 associates participated in step tracking or other activities



PEOPLE



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87%

Total Associate Engagement survey response rate

100%

of full-time associates now on cash performance-based bonus program

78%

Associate Inclusion Index score, exceeding the industry average of 73%

100%

of full-time associates have long-term equity incentive

3

days of training for each new associate

34,185

in total training hours for associates

80%

of associates achieve wellness goals in company Wellness Program

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PEOPLE

Pursuing our mission to deliver clean and safe water requires a world-class team. By integrating talented people from two industry leaders into Zurn Elkay Water Solutions, we are truly *Better Together*.

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.

In 2022, we offered additional training and development programs and expanded career path opportunities that will help our associates make better lives for their families and have a greater impact on the world. We also focused on combining the best of 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. Notably, 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. For more on associate benefits, see [page 63](#).

HUMAN CAPITAL STRATEGY GOALS

We set the following targets to help guide our human capital strategy, *achieving all in 2022*:

- 1 Achieve an 80% response rate to our Total Associate Engagement (TAE) survey by 2024
- 2 Continue to surpass the industry's average Associate Inclusion Index results each year
- 3 Communicate associate diversity metrics annually*
- 4 Give every associate 1% of company time to volunteer annually

Our people-related sustainability strategy and policies directly support the United Nations Global Compact Labor and Nondiscrimination principles.

PRINCIPLE 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

PRINCIPLE 4: The elimination of all forms of forced and compulsory labor

PRINCIPLE 5: The effective abolition of child labor

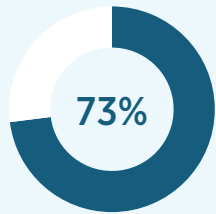
PRINCIPLE 6: The elimination of discrimination in respect of employment and occupation

ASSOCIATE ENGAGEMENT

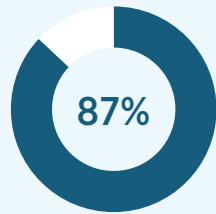
Our success depends on creating a positive environment where associates feel engaged in their work and our mission. That's why **Total Associate Engagement (TAE)** is one of our core values and a central focus of the **Zurn Elkay Business System**.

HUMAN CAPITAL STRATEGY GOAL #1

TOTAL ASSOCIATE ENGAGEMENT SURVEY PARTICIPATION, 2021-2022



2021



2022

We **exceeded our goal** of 80% participation ahead of our **2024 target**.

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 measures employee engagement annually. Less than two months after the close of the transaction, we conducted our first combined Zurn Elkay survey. While Elkay had not conducted regular surveys in the past, the combined survey results provided a new baseline moving forward. We were pleased to see an 87% participation rate, proving associates' willingness to share candid feedback and exceeding our 2024 target (80% participation) a full two years ahead of schedule.



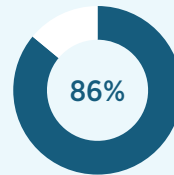
ASSOCIATE ENGAGEMENT

Our overall 2022 TAE score of 69% is a slight decline from last year and was expected given that we conducted the survey in the early stages of our transformation as Zurn Elkay. We are committed to using our 2022 TAE survey results to set a new baseline for the combined organization and set expectations for improvement moving forward. The data we gathered will help us strengthen our efforts to continue creating a strong, shared Zurn Elkay culture as we advance.

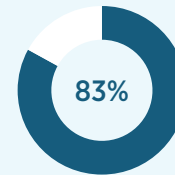
Notably, for the first time in 2022, we added questions to our TAE survey directly asking how associates feel about equitable treatment and our sustainability strategy. Responses to these questions will help define priorities, identify opportunities to enhance policies and inform our training and internal communications related to equity and sustainability efforts.

2022 ZURN ELKAY TOTAL ASSOCIATE ENGAGEMENT SURVEY RESULTS

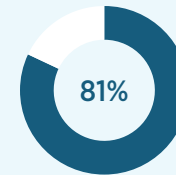
Zurn Elkay TAE Score	69.0%
Industry Average	68.4%



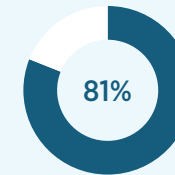
86%
of associates feel they have open and **honest communication with managers**



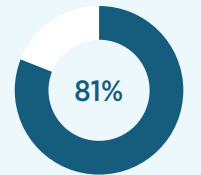
83%
of associates are **comfortable voicing different ideas and opinions**



81%
of associates feel **they belong on their team**



81%
of associates feel **they receive timely feedback** from their managers



81%
of associates feel that **managers treat people fairly**

ZURN ELKAY ASSOCIATES: IN THEIR OWN WORDS

“

I love the mentor program, love the volunteer hours, love the flexibility. Thank you.

“

Great place to work, great people to work with, great leadership and great manager.

“

I have always been very proud to work for Elkay and now Zurn Elkay.

“

Zurn Elkay has a bright future ahead, so excited to be a part of it!

FOSTERING ENGAGEMENT DURING A TRANSITION

Integrating two teams into one community required a particular focus on employee engagement. We launched new efforts immediately after the combination of Zurn and Elkay in July 2022, including new communication strategies, a new return-to-office policy following the disruptions of the COVID-19 pandemic, and a program to engage our associates directly in social impact opportunities.

Following the combination, we restructured our organization to remove duplication and position our teams for future success, providing long notice periods of any position elimination when possible. We leveraged our existing severance and restructuring programs to assist associates with severance, benefit coverage, outplacement and transition support, including a dedicated career consultant, training and reemployment support.

THE DROP

We created a podcast series called The Drop to guide our associates during our transition as a combined company. Individual episodes covered topics such as Total Associate Engagement, Zurn Elkay reps and employee safety, and provided additional information to complement resources such as FAQs and other communications that we shared on a newly combined company intranet.



Recognizing that face-to-face time is essential to building relationships and fostering a shared culture, we developed a new hybrid work schedule that balances the need for collaboration with our commitment to providing flexibility. This new policy combines in-office workdays with options for at least one remote workday each week.

ZURN ELKAY

Social Impact Fund

We invited all associates to participate in our new WAVES Social Impact Fund, an engaging program that funds innovative initiatives from our associates that will provide a meaningful impact in our communities and advance Zurn Elkay's sustainability goals. See [page 84](#) for more details on this program.

A PODCAST TO PROMOTE HEALTH AND SAFETY

For the fourth episode of our 2022 podcast, The Drop, we took a deep dive into Zurn Elkay's EHS policies, practices and expectations. EHS Directors Tom Frost (Environmental) and Steve Ryczek (Health and Safety) outlined how the newly combined company would build on existing Elkay and Zurn EHS programs to enhance our EHS efforts moving forward. Tom and Steve also described how individuals' day-to-day actions contribute to the company's short- and long-term ESG goals. And they reminded listeners about the new WAVES Social Impact Fund as an avenue for associates to suggest projects that can effect more far-reaching organizational improvement.

ASSOCIATE BENEFITS

The benefits we provide to our associates are an important facet of our sustainability strategy because they help us attract, retain, reward and motivate talented associates. Offering a competitive and comprehensive suite of quality health benefits is central to our goal of supporting associates' health and wellness. 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.

One change we implemented immediately was including all Zurn Elkay associates in Zurn's non-health related benefits package. 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

All new Elkay associates as of July 1 received stock grants as we merged our organizations, to give Elkay an ownership stake in the company, like the grant awarded to legacy Zurn associates in October 2021.



BONUS ELIGIBILITY

All full-time associates not covered by a collective bargaining agreement are part of a bonus program. Eligibility is based on business performance, individual contributions, continuous improvement and volunteering time to help align bonuses with our sustainability strategy.



FAMILY SUPPORT, SCHOLARSHIPS AND PARENTAL LEAVE

Associates have access to the Zurn Foundation scholarship program for the children of associates, which awards \$80,000 in scholarships annually. In 2022, we created a new annual scholarship in honor of former Elkay President Ron Katz, who passed away in October. We also offer paid parental leave to all associates.

BENEFITS IMPACT

\$11.1 million

total share value offered to associates

100%

of full-time associates have long-term equity incentive

10 days

total paid parental leave per associate

\$230,000

paid in referral bonuses

\$4.9 million

paid in 401(k) matching funds in 2022



PAID VOLUNTEER TIME

To encourage all of our associates to be active in their communities, we offer up to 20 hours of paid volunteer time annually—equaling approximately 1% of time spent at work. In 2022, Zurn Elkay associates volunteered a total of 5,406 hours. (Learn more about our volunteer programs on [page 81](#).)



MATCHING GIFTS

All U.S. associates are eligible for up to \$5,000 in company matching funds for their gifts made to U.S.-based 501(c)3 charities.



EMPLOYEE REFERRAL BONUS

We value our associates' pride in our organization and reward them for referring friends and family to join our team. We paid more than \$230,000 in referral bonuses to our associates in 2022.



PAID SICK TIME

We extended two days of paid sick time to our hourly associates in 2022.

PROFESSIONAL DEVELOPMENT

Investing in professional development supports our sustainability efforts and our core value of continuous improvement. As our associates grow and acquire new skills, they can continue developing the innovative water management solutions we need for the future. Delivering these opportunities in a range of formats—including leadership development programs, on-the-job training, virtual education and peer-to-peer learning—empowers every associate to advance their careers in ways that work best for them.

2022 TRAINING AND PROFESSIONAL DEVELOPMENT STATISTICS

3	days of training for every new associate
486	associates participated in a career development program
381	developmental job moves
190	associates promoted in 2022, over 7% of total population



2022 KEY JOB-SPECIFIC PROFESSIONAL DEVELOPMENT PROGRAMS

MANAGER DEVELOPMENT PROGRAM

We offer an annual manager development program that provides three levels of training:

- **BUILD**—Participants learn skills such as leading through conflict, emotional intelligence, understanding working styles and setting and managing priorities
- **GROW**—Participants learn skills such as influencing others, critical thinking, behavioral interviewing and change leadership
- **ACCELERATE**—Participants learn skills such as leading innovation, having crucial conversations, leading across cultures and leading virtually

Each level combines self-paced learning and on-the-job experiences and requires roughly four hours of training per week over three months.

198 associates participated in our manager development program.

SUCCESSION PLANNING

Annual comprehensive succession planning and development process **delivering talent succession** for the top three levels of the organization.

LEADERSHIP DEVELOPMENT PROGRAMS

Managers, directors and executives are eligible for a virtual course on accountability, communications and group dynamics. **275 associates participated in leadership development**, attending courses in 13 topics.

ESSENTIAL LEADERSHIP AND EMERGENT LEADERS PROGRAMS

21 associates completed the Essential Leadership course, which helps high-potential new and prospective supervisors/managers develop a leadership mindset and build trust-based credibility and relationships. **14 associates completed** our Emergent Leaders Program, which is designed to help high-potential new managers, high-performing managers and subject-matter experts cultivate the skills needed to advance to the next stage of leadership roles.

THE MARQUETTE UNIVERSITY BRIDGE TO BUSINESS FOR ENGINEERS PROGRAM

Marquette University's Bridge to Business for Engineers is a six-day program for early career engineers sponsored by Zurn Elkay Water Solutions. Attendees receive classroom instruction and participate in applied learning opportunities to build their technical skills and knowledge of business fundamentals. Five Zurn Elkay associates completed the Bridge to Business program in 2022.



BE THE DIFFERENCE.



2022 KEY JOB-SPECIFIC PROFESSIONAL DEVELOPMENT PROGRAMS



DEVELOPMENT PLATFORM

Our internal e-learning platform empowers associates to drive their individual development in areas including technology, management skills, product knowledge and the Zurn Elkay Business System. Associates accessed the platform **6,029 times**, participating in curricula covering the leadership development core, embracing equity and inspiring resilience.

#CI (CONTINUOUS IMPROVEMENT)

This forum on the Zurn Elkay intranet platform encourages associates to share examples of continuous improvement from their day-to-day work experience. Circulating these wins broadly across the company helps foster peer-to-peer learning and recognizes individuals for their contributions and insights. Associates submitted a total of **1,832 improvement projects**. These initiatives generated an estimated **\$3.2 million in savings**.

TUITION REIMBURSEMENT

All non-temporary employees are eligible for up to **\$5,250 in tuition reimbursement** for costs related to associate, undergraduate or graduate degrees.

EXPERT LIVE SESSIONS

In-house subject-matter experts hosted **over 20 60-minute sessions** on topics such as supplier quality, plumbing IP and compliance, open to all associates companywide.

INTERNSHIPS

72 students participated in our world-class internship program that gives interns responsibility for meaningful projects in various functions and community service opportunities, from river cleanups to agriculture. Academic partners included Marquette University, University of Wisconsin-Madison, University of Wisconsin-Milwaukee, Penn State University, Auburn University, Virginia Tech and North Carolina State University. Approximately half of our interns typically come from partner schools.

2022 KEY JOB-SPECIFIC PROFESSIONAL DEVELOPMENT PROGRAMS

THE MCKINSEY & COMPANY CONNECTED LEADERS ACADEMY

McKinsey & Company

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:

Hispanic and Latino Management Accelerator

Black Executive Leadership Program

Black Management Accelerator

Asian Management Accelerator



LEO HILZENDEGER

Senior Manager - International Logistics

Leo came to Zurn Elkay in 2022 with more than 15 years of experience in logistics. He participated in the four-month Hispanic and Latino Management Accelerator, where he and his peers focused on developing a leadership mindset and behaviors, sharpening problem solving for impact, and helping the organization set and execute a business strategy.

“The Management Accelerator helped me learn from others on how to be my authentic self as a leader and embrace my culture, share experiences of how we’ve overcome cultural differences and how different cultural backgrounds can bring a lot of value to the workplace.”

—Leo Hilzendegeger

DIVERSITY, EQUITY AND INCLUSION

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.

Building on the foundations of Elkay's Diversity, Equity and Inclusion (DEI) Council and Zurn's Office of Diversity and Inclusion (D&I), we charted a combined course in 2022 for Zurn Elkay's DEI efforts. As one team, we defined the following priorities for our organization:

INCLUSION

Continue to build a culture of inclusion and collaboration, leveraging employee resource groups (ERGs) to help educate and celebrate differences.

RECRUITMENT AND DEVELOPMENT

Advance our associate attraction, growth, development and retention efforts and increase representation of diverse groups at all levels of the organization.

COMMUNITY

Support partner organizations through volunteerism, product donations and charitable giving that enable us to build a diverse and skilled workforce.



THE ZURN ELKAY WATER SOLUTIONS DIVERSITY, EQUITY AND INCLUSION POLICY

Read the [Policy](#) for more about our commitment, philosophy, expectations and tactics.

DIVERSITY, EQUITY AND INCLUSION

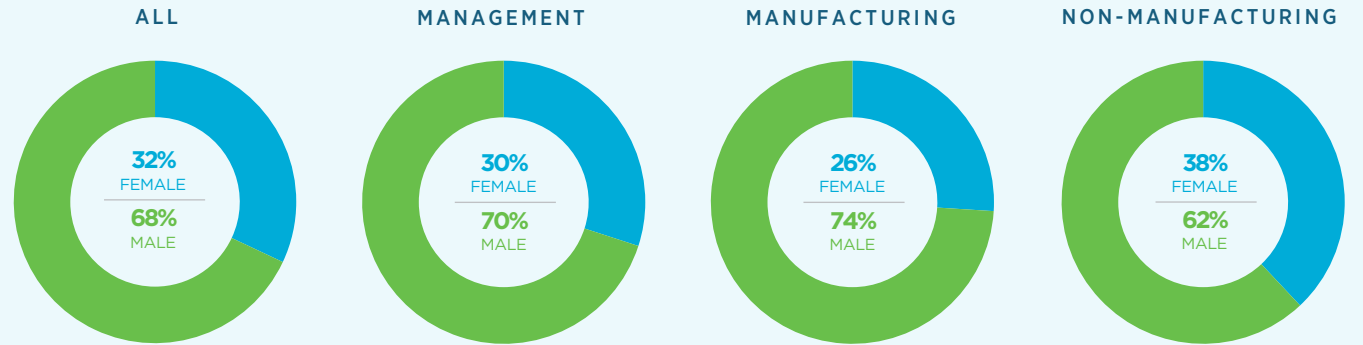
We pursue our diversity, equity and inclusion priorities through commitments that are embedded at every level of our business:

- 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.
- Outside our walls, we are increasing the diversity of our supplier base and spending with diverse businesses. We also focus our philanthropic donations and volunteer efforts on projects that support racial justice and equity.

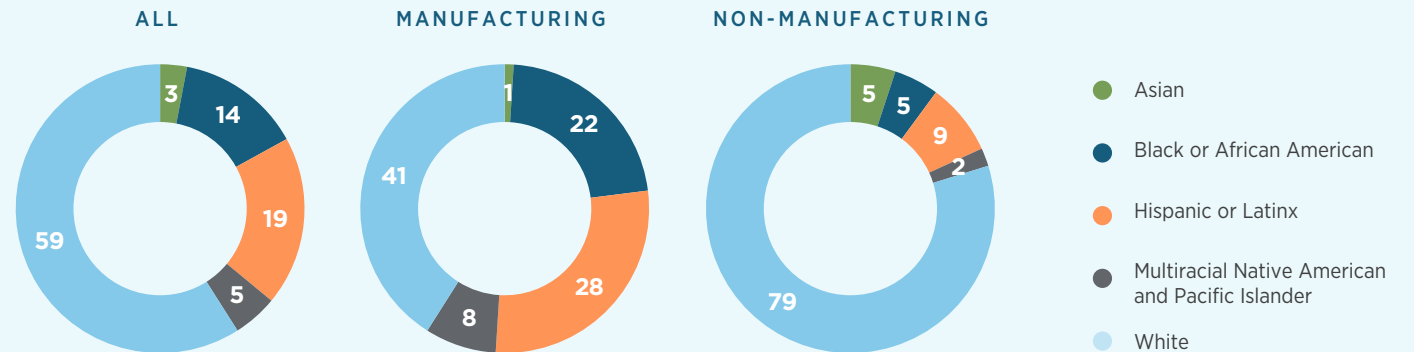
HUMAN CAPITAL STRATEGY GOAL #3

DIVERSITY AT ZURN ELKAY

Gender breakdown, global associates



Racial and ethnic breakdown, U.S. associates



EMPLOYEE RESOURCE GROUPS

Employee resource groups (ERGs) 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.



ZE Women

Ensuring the continued growth and development of female associates and their contributions



ZE ¡HOLA! LATINX Resource Community

Providing a safe, inclusive platform for associates of diverse Hispanic and Latinx backgrounds to express concerns and raise awareness



ZE Black Employee Resource Group (BERG)

Empowering African American associates with a focus on increasing recruitment, retention, growth and development



ZE Eastern Energy Squad

Creating an open environment for associates to learn and appreciate Asian American and Pacific Islander (AAPI) cultures, beliefs and traditions



ZE Spectrum

Fostering an inclusive workspace culture and offering support for all LGBTQ+ associates

ZE Emerging Generations Group

Providing experimental developmental opportunities for aspiring leaders to enhance relationships, develop a mindset of system thinking and to provide generational insight



ZE Drive

Increasing associate engagement and nurturing a connected culture through professional development, volunteerism and networking events

ZE Aspiring Leaders

Advancing career development opportunities for future leaders by providing access to resources, brainstorming and discussing relevant topics and challenging each other to reach their goals

BELONGING AT ZURN ELKAY

We are guided by our core value of continuous improvement to always look for ways to improve equity and inclusion inside Zurn Elkay. We listen closely to our associates' feedback and use their comments to drive new policies and practices that support a culture of belonging. Our annual Associate Inclusion Index helps us measure and track our performance to ensure that the changes we make have a positive impact.

The Associate Inclusion Index asks whether team members agree with statements such as, "I feel as if I belong in my team" and "I am comfortable voicing my ideas and opinions, even if they are different than others'." Our goal is to exceed the industry average Associate Inclusion Index score.

HUMAN CAPITAL STRATEGY GOAL #2

ASSOCIATE INCLUSION INDEX VS. INDUSTRY AVERAGE

Zurn Elkay	78.3%
Industry Average	73.0%

We made **several improvements throughout the year** to help support belonging and inclusion in the combined Zurn Elkay.



RECRUITING

In 2022, we enhanced our external partnerships to help bring a more diverse group of candidates into our recruiting process:

- We joined the National Black MBA Association, which included two memberships in the organization and allowed us to participate in job fairs and training.
- Elkay partnered with HACE, the Hispanic Alliance for Career Enhancement, which included one year of unlimited job posting capabilities, access to the organization's resume database, participation in career fairs, ERG lunch and learns, and involvement in HACE's Hispanic Emerging Leaders program and Hispanic Women's leadership program.
- Elkay also participated in the Student Training Experience Program (STEP) with Governors State University of Illinois. STEP's goal is to keep Illinois graduates in Illinois by offering internship opportunities that can lead to permanent positions. Because the student body is highly diverse, most of the interns we hosted through this program came from minority or marginalized backgrounds.

TRAINING

We continued to offer diversity and inclusion-focused modules in our annual Code of Conduct training for all associates. Our 2022 modules focused on crucial conversations for mastering dialogue, along with overcoming unconscious bias and leading diverse teams. In 2023, we will add human rights to our annual training.

In addition, we partnered with Women Unlimited, a national education, mentoring and networking organization for female business leaders, to provide leadership and training development for five female leaders at Zurn Elkay. Some of our associates participated in the LEAD program, which focuses on improving leadership skills for managers with at least seven years of experience to help them rise to higher levels in their organizations. Others participated in the IMPower program, allowing early-career women to improve their confidence and job- and relationship-building skills.

WOMEN UNLIMITED TESTIMONIALS FROM ZURN ELKAY ASSOCIATES

“

The Women Unlimited LEAD program is an excellent example of how Zurn Elkay invests in its future leaders. I learned from peers, instructors and executive mentors about thinking big and strategically. The program equipped me with the tools to navigate through uncertainty confidently. I'm committed to engaging and motivating all associates to contribute our best to Zurn Elkay's future growth.

Tracy Xiao, Supply Planning Manager

“

This opportunity has opened my eyes to realize that the greatest duty I have to my company is to continue to improve myself to always be able to provide a top-notch experience with my peers, my managers and our customers. My multidisciplinary background gives me a unique skill set and I owe it to myself and Zurn Elkay to use my abilities to the fullest and I now have more tools to bring my best self to the table.

Rhyan White, Associate Product Manager

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.

INCREASING OUR SUPPLIER DIVERSITY









In late 2022, we began discussions with a certified diverse minority maintenance, repair and operations provider. At the time we published this report, we were in the **final stages of adding this company to our preferred supplier list.** This supplier will be able to service all of our nationwide facilities and increase our diversity spending by at least \$750,000 annually.

+\$750,000
spend annually

SUPPLIER DIVERSITY

Our commitment to working toward a more just and equitable society inspires us to consider the total impact of our business. 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 HUBZones, 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.

	 The National Minority Supplier Development Council, Inc. (NMSDC)	 Women Business Enterprise National Council (WBENC)	 The Wisconsin LGBTQ Chamber of Commerce		 The National Veteran Business Development Council (NVBDC)	 Disability Inclusion (Disability:IN)	 The National LGBT Chamber of Commerce (NGLCC)
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With the combination of Zurn and Elkay in 2022, we aligned our process around a single system to manage our supplier diversity program. We established a dedicated supplier diversity manager position to increase collaboration and opportunities for sourcing within all business units, improve the diversity of our supplier base and increase spending with certified diverse suppliers. Additionally, we implemented a cross-functional Supplier

Diversity Council and developed a KPI scorecard to measure our progress toward our goals.

We aim to increase sourcing from certified diverse suppliers to 8% of total domestic spending by 2025, from 1.4% in 2022. We identified improvement opportunities for 2023, which will include holding an inaugural supplier diversity day and incorporating diverse suppliers in bids of significant spending throughout all business units.

COMMUNITIES



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projects funded by the WAVES Social Impact Fund

112

Elkay bottle filling stations donated

\$2 million

in cash or in-kind donations to community organizations

5,406

total volunteer hours for Zurn Elkay associates

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COMMUNITIES

Zurn Elkay's support of the communities where we live, work and play is integral to our Sustainably Inspired philosophy. 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.

We focus our community philanthropic efforts on local organizations where we believe we can have the most significant positive impact.



COMMUNITY IMPACT HIGHLIGHTS

\$2 million

in cash, in-kind and
product donations and
matching gifts

5,406

hours of
volunteer time

\$162,000

in contributed value of the 5,406
hours, using Independent Sector's
value of \$29.95/hour

CORPORATE GIVING



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.

THE ZURN FOUNDATION

The Zurn Foundation helps us increase our positive impact by providing financial and volunteer support to organizations working to address sustainability and social issues in our communities. Initially founded in 1953, the Rexnord Foundation changed its name to the Zurn Foundation in 2022. The Foundation provides grants, scholarships and matching gifts to support our three focus areas: basic needs, education and the environment.



In addition to gifts within these focus areas, in 2022 we also continued our support for the Children's Hospital of Wisconsin

through our ongoing \$1 million grant. This gift provides funding for the hospital's seven initiatives designed to improve mental and behavioral health for Wisconsin kids: universal screening for mental health, early childhood mental health, school-based mental and behavioral health, integrated mental and behavioral health, therapist fellowship program, urgent and emergent mental health, and partnerships with inpatient and residential care providers.



COMPANY CONTRIBUTIONS

In addition to donations from the Zurn Foundation, we support local organizations with direct corporate donations, sponsorships, volunteer time and in-kind product donations where our sustainable products can positively impact our communities.

In 2022, we made \$2 million in charitable contributions, putting us on track to meet our goal of donating \$5 million between 2022 and 2024. Below are some highlights from our 2022 contributions.



We continued our second multiyear, \$1 million sponsorship of Marquette University's Bridge to Business program, a six-day noncredit program for early-career engineers.



We sponsored education programs with California Polytechnic State University, North Carolina State University and Pennsylvania State University to bring talented engineering students into those schools.



We partnered with the Delta Dental Foundation of Wisconsin to sponsor the Cool Water Program. This program provides grants for schools to replace older drinking fountains with new Elkay water bottle fillers, providing students with a healthier alternative to sugary drinks like juice and soda.



We donated 101 Elkay ezH2O® bottle filling stations to city facilities and nonprofit organizations in Chicago through the Elkay Fountains for Youth Program. Launched in 2021, Fountains for Youth helps reduce plastic waste from single-use plastic bottles and makes clean water available to schools, parks facilities, shelters and other locations where children learn, play and live. Our 2022 donations focused on communities on Chicago's South and West Sides, where longstanding challenges to accessing safe, clean drinking water have been exacerbated by the COVID-19 pandemic. The program installed bottle fillers at libraries, parks, community centers, the Department of Family Support Services and facilities operated by the Chicago Housing Authority and the Mayor's Office for People with Disabilities. Each site also received ongoing donations of filters to ensure the ezH2O® bottle filling stations continue to provide clean, safe water for 12 years.



We continued our partnership with 501CThree, a nonprofit that developed a sustainable alternative to delivering single-use plastic water bottles to communities experiencing a water crisis. 501CThree uses Elkay components to build its WaterBox clean water dispenser, which filters out extreme levels of lead. Since 2021, Elkay has sponsored WaterBox installations in Benton Harbor, Mich., and Jackson, Miss.

COMPANY CONTRIBUTIONS

CASE STUDY

Supporting United Way's Efforts to Provide Lead-Free Drinking Water



Greater Milwaukee & Waukesha County

We continually look for charitable giving opportunities that support our clean water mission. In 2022, that focus included the donation of 11 Elkay water bottle fillers to United Way, an organization we support annually, in collaboration with fellow Milwaukee-based Badger Meter. As part of Badger Meter's Watering Growing Minds Initiative, which seeks to provide lead-free drinking water for children, United Way identified four local agency partners serving our community's children that lacked access to safe drinking water, which included:



ST. JOSEPH
ACADEMY

St. Joseph Academy
Milwaukee

4



SILVER SPRING
NEIGHBORHOOD CENTER
A COMMUNITY OF SUCCESS

Silver Spring
Neighborhood
Center
Milwaukee

2



PENFIELD
CHILDREN'S CENTER

Penfield Children's
Center
Milwaukee

4



BAY VIEW
COMMUNITY
CENTER

Bay View
Community Center
Milwaukee

1

UNITS



ASSOCIATE GIVING AND VOLUNTEERISM

Our associates are essential contributors to our charitable giving strategy. They have the skills and passion for making a difference in their communities, and we are committed to giving them opportunities to get involved.

As a combined company, we moved forward in 2022 with a program that provides each U.S. associate up to \$5,000 in matching gifts annually for any qualified charitable contributions they make during the year.

We made \$219,000 in matching gifts in 2022. These matching gifts doubled the impact of our associates' contributions to organizations such as:



ASSOCIATE GIVING AND VOLUNTEERISM

Contributions of time and talent are another way our associates make a difference in the world. Volunteering for important causes not only helps improve the quality of life in our local communities but also helps build stronger bonds among associates and reinforces a culture of caring inside Zurn Elkay.

In 2022, we provided associates in the combined Zurn Elkay 20 hours of paid volunteer time, equivalent to roughly 1% of an associate's annual work hours. For Elkay team members, this benefit represented a four-hour increase in company-sponsored volunteer time over the legacy Elkay paid volunteer hours program.

We also integrated our volunteering incentives into our efforts to promote overall associate wellness: Associates who volunteer during the year receive wellness points through the Zurn Elkay Wellness Program, which they can use to reduce the cost of their insurance premiums.





ASSOCIATE VOLUNTEERING HIGHLIGHTS, 2022

Zurn Elkay India teamed up with United Way Hyderabad to support a home for senior citizens who lack basic day-to-day support. Nearly three dozen associates volunteered at NEST – Home for the Aged, providing emotional support for the residents and serving meals.

Zurn Elkay's Eastern Energy Squad ERG sponsored a Habitat for Humanity volunteer event. More than a dozen associates helped build a home in Waukegan, Ill., raising the walls for the first level of the home and installing foam board insulation in the basement.

Associates from Downers Grove participated in a volunteer week in partnership with Feed My Starving Children (FMSC). Over one week, a total of 144 associates participated in two-hour volunteer shifts, packing rice, soy, dried vegetables and a nutritionally complete blend of vitamins and minerals. The packages were shipped to FMSC partners serving the neediest children around the world.

Associates from Savanna, Ill., participated in a Living Lands & Waters volunteer event, planting 140 trees in all the public parks throughout Savanna.

The Milwaukee team sponsored the annual Turkey Ticker Challenge with the food bank Hunger Task Force. It was the team's 12th consecutive year sponsoring the campaign to raise funds to purchase turkeys to donate to needy families for Thanksgiving dinner, with Zurn Elkay matching each public donation dollar for dollar. In 2022, the Turkey Ticker Challenge raised \$122,000 to purchase 8,133 turkeys, and our associates volunteered 90 hours with the campaign. In addition, our associates volunteered to pack and load boxes and work on the Hunger Task Force's farm during the summer.

ASSOCIATE GIVING AND VOLUNTEERISM

CASE STUDY

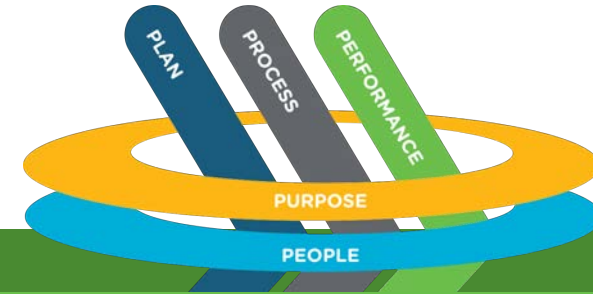
The WAVES Social Impact Fund

Our associates are responsible for some of our best and most innovative thinking. We've tapped this talented group to advance our sustainability goals through the WAVES Social Impact Fund.

Launched in 2022, the WAVES Social Impact Fund provides financial backing for innovative associate ideas that help our company advance our ESG efforts. All associates are welcome to submit ideas throughout the year, and each quarter our ESG Committee selects the top submissions to receive funding from Zurn Elkay to put the idea into action.

We approved nine WAVES submissions in 2022, providing funding for innovative projects such as:

- Partnering with three additional organizations to help us achieve more diversity in our supply chain (see [Supplier Diversity, page 73](#))
- Installing **World Dryer hand dryers** at every Zurn Elkay facility to reduce waste by eliminating paper towels
- Replacing water-intensive landscaping at our Paso Robles, Calif., facility with native, sustainable plantings to eliminate irrigation needs in an area that's at high risk for drought
- Reducing the carbon footprint from Zurn Elkay's business travel by purchasing carbon offsets and contributing to a nonprofit organization that distributes water filters to low-income communities around the world to ensure access to clean, safe water
- Adding "**Purpose**" to the **Zurn Elkay Business System** (see sidebar)
- Eliminating company-supplied single-use water bottles and cups by installing Elkay water bottle fillers at all legacy Zurn locations
- Developing a new recycling program for scrap PEX plastic that will prevent **1.5 million pounds** of waste from our manufacturing facilities from entering landfills annually



APPROVED WAVES SUBMISSION: OUR PURPOSE INSPIRES OUR IMPACT

Giving back is fundamental to who we are, and we want all Zurn Elkay associates to work for a better world, together. We believe in this mission so strongly that we added "**Purpose**" to the **Zurn Elkay Business System (ZEBS)** to demonstrate our deep commitment to sustainability and social initiatives. Including "purpose" marks the first substantial change to our business model in decades and ensures that environmental and social initiatives remain at the heart of all we do.

Through the ZEBS, we incorporate meaningful sustainability objectives and metrics throughout our strategic planning, product lifecycle management, continuous improvement and people processes.

In addition, our Environmental, Health and Safety (EHS) Playbook integrates purpose into our standard written programs and procedures, including our facility-specific compliance calendar and recurring internal EHS audits. This integration ensures that sustainability remains top of mind through our day-to-day operations. Software systems, centralized record management, and executive oversight support all aspects of the EHS playbook, enabling us to monitor, measure and control how well our EHS performance delivers on our company's purpose.

Making purpose a specific and articulated priority provides a powerful North Star for our people, resulting in even more Sustainably Inspired solutions to fulfill our commitments to our customers and live up to our corporate social responsibility and ESG principles.

To learn more about how Zurn Elkay Water Solutions makes purpose a priority, view the Sustainability section of the [Zurn Elkay website](#).

Sustainably Inspired

GOVERNANCE AND ETHICS



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KPIs to improve our supply chain's
ESG strategy and performance



GOVERNANCE AND ETHICS

We are committed to adhering to our core value of demonstrating integrity in everything we do. 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 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.

As signatories to the U.N. Global Compact in 2021, we incorporated the 10 principles of the UNGC across our sustainability strategy that year. We continued to uphold these principles in 2022 by merging the best elements from Zurn and Elkay's approaches into our combined sustainability strategy. We have communicated these efforts throughout this report and in our [ESG Content Index, page 103](#) in alignment with U.N. Sustainable Development Goals.



CORPORATE GOVERNANCE STRUCTURE

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.

Increasing the diversity of our board is a primary focus of our ESG strategy. The combination of Zurn and Elkay in 2022 resulted in the addition of a new member to the board, bringing it to 10 members, nine of whom are independent under applicable NYSE rules. As of December 31, 2022, our board included two female members and one nonwhite member.

Our nominating and corporate governance committee remains focused on increasing board diversity. We are committed to reaching our target of at least 30% female representation by 2024.*

The Board of Directors includes five key committees that oversee specific functions at Zurn Elkay:

Nominating and Corporate Governance

Audit

Compensation

ESG

Executive

THE ZURN ELKAY BOARD OF DIRECTORS



9

Independent directors

Sustainability and ESG



Leadership and management

Technology and cybersecurity



Strong board with expertise in:



Public company governance

Human capital management



Industry and global manufacturing

Audit and finance



RESPONSIBILITY FOR 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.

POLICIES

[Code of Business Conduct and Ethics](#)

[Anti-Boycott Compliance Policy](#)

[Anti-Corruption Law Policy](#)

[Anti-Trust Policy](#)

[California Transparency in Supply Chains Act](#)

[Disclosure Conflict Minerals Policy](#)

[Conflict Minerals Policy](#)

[Data Privacy Policy](#)

[Diversity, Equity and Inclusion Policy](#)

[Embargoed Countries and Denied Parties Policy](#)

[Environmental and Sustainability Policy](#)

[Equal Employment Opportunity](#)

[Human Rights Statement](#)

[Insider Trading Policy](#)

[Product Safety and Quality Policy](#)

[Substance Abuse in the Workplace Policy](#)

[Supplier Code of Conduct](#)

[Supplier Diversity Policy](#)

[UK Tax Strategy](#)

[Volunteerism Policy](#)

[Workforce Privacy Notice](#)

[Workplace Free from Unlawful Harassment and Discrimination](#)

BOARD OVERSIGHT OF ESG

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
- Responding to shareholder proposals on ESG matters and other significant ESG-related stakeholder concerns

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. Zurn Elkay's Board of Directors oversees the company's enterprise risk management (ERM) process, which involves annual risk assessments, management evaluation and management of key risks and opportunities to the business. We integrate physical risks related to climate change into our business continuity and disaster recovery planning process, which the board reviews at least annually. We developed a formal organization-wide plan under executive-level supervision in addition to plans at the facility levels.

We also take a forward-looking approach to managing transitional risks and opportunities to climate change in key areas throughout our company. These include business continuity planning, new product and technological advancements, IT protection, disaster recovery planning and emergent risk evaluations. New product development and technological advancements such as our water quality, safety, flow control and conservation products, including sensor faucets, flush valves, low-flow fixtures and carrier systems, are of critical importance to our transitional planning. Creating sustainable and hygienic products that help our customers achieve greater resource efficiency is an example of how Zurn Elkay has planned for climate risk and is ready to adapt and change to maintain our business and manage future risks and opportunities effectively. See our [ESG Content Index, page 103](#), for more details.



BOARD OVERSIGHT OF ESG



ESG COMMITTEE RESPONSIBILITIES:

- Employee health and safety
- Sustainability
- Ethical and sustainable sourcing
- Human rights
- Environmental matters
- Product safety and eco-friendly design
- Supplier conduct and diversity
- Materials sourcing
- Labor practices
- Diversity and inclusion in employment
- Volunteerism and corporate giving
- Corporate citizenship
- Business ethics



ESG COMMITTEE CHAIR DAVID C. LONGREN

David C. Longren serves as chair of the ESG Committee and oversees the management of the company's ESG-related efforts. A former group president for Polaris, David brings both product development, innovation and marketing experience and a deep understanding of Zurn Elkay's business. David serves a vital role in leading the board's ESG efforts to manage our company's climate-related risks, opportunities and impacts.

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. This dedicated product specialist will enhance the committee's focus on product quality and safety and help us advance important projects such as our product lifecycle analysis (see [Studying the Lifecycle of Our Products on page 30](#)).

Our incentive compensation for company leaders incorporates a link to sustainability performance. Our leaders' annual cash incentive is based on meeting certain financial performance metrics as well as a personal performance factor. An individual leader's personal performance factor is based on their respective goals for the year, and certain leaders throughout the organization have sustainability related goals that they are responsible for leading and achieving. Achievement of sustainability goals impacts their personal performance factor and resulting annual incentive bonus.

In 2022, we also formally reached out to our top 20 shareholders with an update on our sustainability program, receiving feedback and incorporating it into this report. This outreach will help us refine our ESG strategy and ensure that our objectives remain aligned with shareholder priorities.

The ESG Steering Committee's key focus areas include:



Governance and ethics



Product quality and safety



Supply chain



Environmental, health and safety



Human capital



COMPLIANCE AND ETHICS

Zurn Elkay is committed to ethical business practices.

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](#). In 2022, we also 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.

We developed the compliance and ethics policies in our ESG strategy to reflect the values and principles laid out in the United Nation Global Compact Human Rights and Anti-Corruption principles:

PRINCIPLE 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

PRINCIPLE 2: Businesses should make sure that they are not complicit in human rights abuses

PRINCIPLE 10: Businesses should work against corruption in all its forms, including extortion and bribery

We share responsibility for maintaining our Compliance and Ethics Program across Zurn Elkay:

The General Counsel manages the program and provides annual updates to the Audit Committee and Board of Directors

All full-time and part-time associates complete training on the Code of Business Conduct and Ethics annually

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. We have established processes to ensure that we address and investigate all hotline and whistleblower concerns in a timely fashion and then report out to the appropriate level of the organization. Our Internal Audit function reviews compliance with aspects of our code as part of its activities, including site audits. The ethics reporting program provides guidelines for reporting material ethics claims to the Audit Committee of the Board of Directors. The Board of Directors receives an annual report on the company's Compliance and Ethics program.

ANTI-CORRUPTION POLICY

Our [Anti-Corruption Law Policy](#) is an integral part of our Compliance and Ethics Program. 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 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.

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. We repeat this process when existing contracts or relationships come up for renewal.

Regular reviews of anti-corruption activities and processes allow us to evaluate compliance with our corporate procedures and policies, helping drive continuous improvement in our Compliance and Ethics Program each year.

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. Income taxes paid by country are provided below.

CORPORATE INCOME TAXES PAID (USD\$)

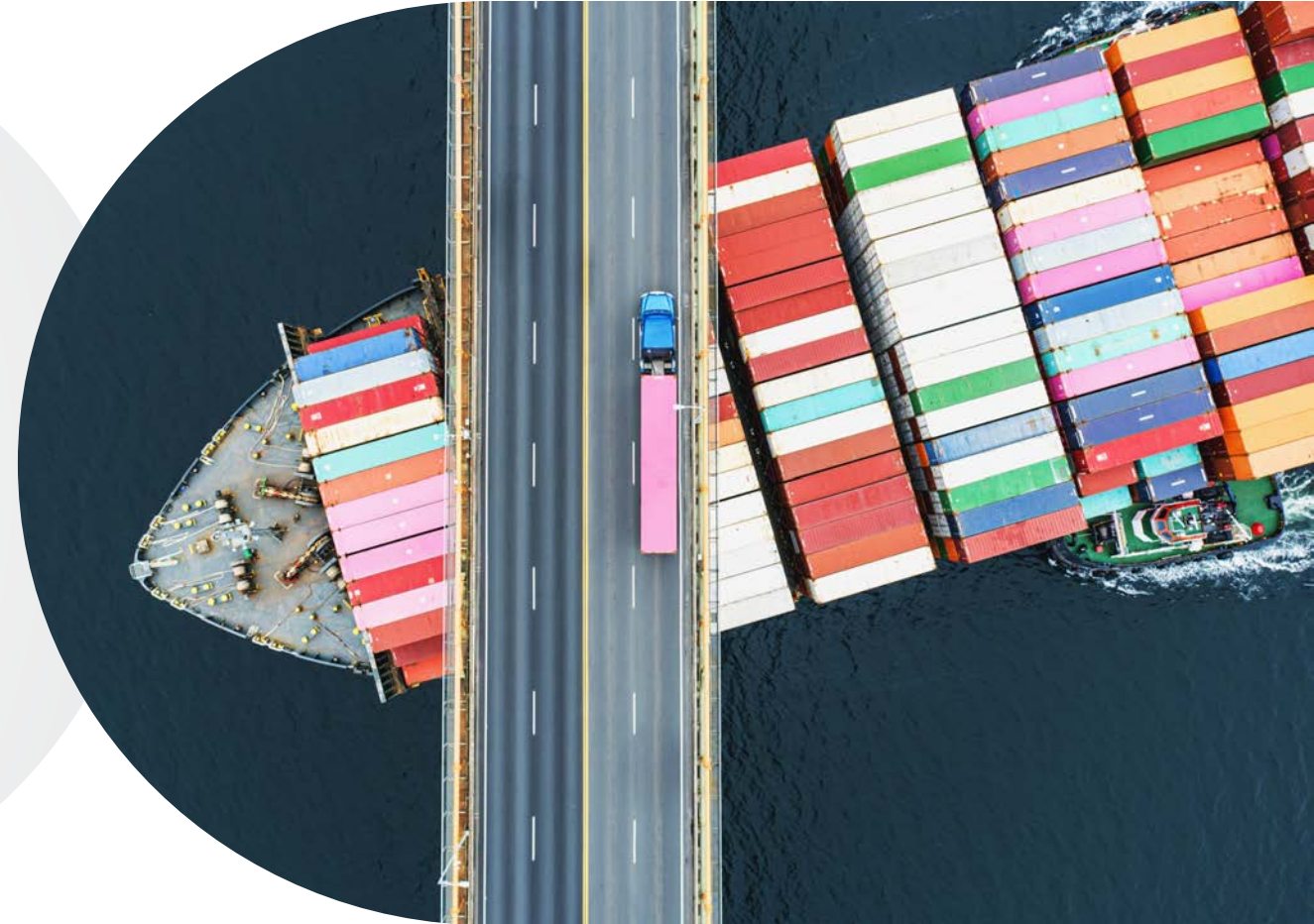
	2021	2022*
United States	39,071,408	1,488,887
Australia	41,950	-
Canada	785,923	1,052,024
India	62,946	167,118
Mexico	-	421,793
Singapore	-	-
TOTAL	39,962,227	3,129,822

*United States income taxes paid were significantly lower than previous years due to a number of discrete items, including a large overpayment credit from 2021 relating to end-of-year NQSO exercises and utilization of various tax attributes inherited in conjunction with the Elkay acquisition.

RESPONSIBLE SOURCING

We evaluate our entire supply chain carefully to make thoughtful, responsible choices that support our commitment to delivering sustainable products and protecting our business from risk. 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. Guided by our core value of continuous improvement, we conducted a deep examination of our combined supply chain to find opportunities to make it more resilient and sustainable.

Our global supply chain organization includes three leadership positions dedicated to overseeing critical areas of supplier diversity, supply chain sustainability and supply chain risk. Our team is also continuing to make improvements that balance the complexities of both domestic and global supply chains as they look across the combined supplier base.





ENHANCEMENT OF KEY PERFORMANCE INDICATORS

Reexamining Zurn and Elkay's legacy supply chain goals, KPIs and strategies, we combined the best from both firms to enhance our efforts around supply chain sustainability. We identified 12 internal KPIs that will help guide our supplier strategy and accelerate progress toward important issues such as recyclability.

For example, we strive to use sustainable materials in our manufacturing and packaging to build a durable, lasting product that reaches the consumer in good condition. To advance that goal, in 2022, we added GRI metric 301-1 as a KPI to track the total weight of both renewable and nonrenewable materials used to produce and package our products. For more information, see our [ESG Content Index, page 103](#).

As a responsible manufacturer, our products are made with recycled content whenever possible. Outlined below is the average recycled content identified in some of our major product groups.

RECYCLED CONTENT (APPROXIMATE)

75%

stainless steel
sinks

65%

bottle filling
stations

60%

stainless steel
drinking fountains

50%

refrigerated
stainless steel
drinking fountains

40%

bi-level
water coolers

Next year, our ESG Content Index will include important steps to minimize risk with new suppliers, such as auditing all new suppliers against environmental, quality and social criteria.

SUPPLIER SCREENING AND ASSESSMENT

Our supplier screening program uses a systematic approach to onboard new suppliers that includes supplier self-declaration and validation through internal supplier audits of key environmental and social performance indicators. The assessment process is designed to identify and assess both significant actual and potential negative environmental or social impacts, along with capturing associated actions. Key features include:



Our supplier assessment program is intended to promote awareness of environmental and social impacts and foster a transparent and responsible supply chain—one that observes human and labor rights and complies with applicable environmental regulations.



We require all suppliers to sign our [Supplier Code of Conduct](#), as outlined in our Supplier Excellence Manual. The rules of conduct cover human rights and labor practices, environmental, health and safety standards, and ethics, integrity and compliance.



To ensure that Zurn Elkay continues to build products under conditions that respect worker rights and the environment, we require suppliers to provide evidence of and commitment to a set of basic standards. 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.



We prohibit our suppliers from participating in any form of bribery, kickbacks or corruption and engaging in any acts that would violate or cause Zurn Elkay to violate any law or regulation relating to anti-bribery, including the U.S. Foreign Corrupt Practices Act.



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. Another longstanding Elkay practice being introduced to the rest of the organization is a requirement for suppliers to provide annual affirmations of their own compliance to certain regulations including, but not limited to, the U.S. federal Toxic Substances Control Act and Lautenberg Chemical Safety Act; the California Safe Drinking Water and Toxic Enforcement Act of 1986 (Prop 65); and the European Union's Restriction of Hazardous Substances in Electrical and Electronic Equipment.



SUPPLIER DIVERSITY

Our comprehensive approach to enhancing the sustainability of our supply chain includes a commitment to improving the diversity of our suppliers. As part of our diversity and inclusion efforts, we aim to reach 8% of total spending with suppliers owned by women, racial and ethnic minorities, LGBTQ+ individuals, veterans and suppliers in historically underutilized urban and rural communities (HUBZones).

For more information on our supplier diversity program, see [page 73](#).

SUPPLIER CODE OF CONDUCT

Operating as a Sustainably Inspired company requires us to hold our suppliers to the same standards that we apply to our operations in critical areas such as ethics, human rights, diversity and environmental stewardship. Our Supplier Code of Conduct communicates our policies and expectations for suppliers. We require our top suppliers to sign our Code of Conduct annually and expect compliance as part of our long-term contracts.

The Supplier Code of Conduct addresses:

- Compliance with all applicable laws
- Ethics and integrity concerning bribery, competition, accounting, documentation, conflict minerals and conflicts of interest
- Human rights, including providing associates with safe working conditions, treating them fairly and with dignity, and otherwise acting in accordance with the U.N. Universal Declaration of Human Rights
- Respect for the environment, including seeking to conserve resources and reduce waste

SUPPLIER QUALITY AND DEVELOPMENT PROGRAM

Our suppliers are essential partners in achieving our supply chain sustainability objectives. We offer a Supplier Quality and Development Program to ensure that they share our understanding of critical issues, such as environmental and social impacts, and possess the tools to improve the sustainability of their operations.

Historically, Zurn Water Solutions used supplier surveys and audits (41 conducted in 2022 alone) to identify key sustainability risks and issues that we would incorporate into our Supplier Quality and Development Program. After combining Zurn and Elkay, we began developing a new process that will interweave the most effective elements of each company's approach to help us gather more data and enhance our ability to track progress toward our goals.

The Zurn Elkay Supplier Management Council regularly reviews supplier risks, monthly performances and audit results. In the event we identify an incident or practice of noncompliance, we engage the supplier and review their plan to reach compliance. If their efforts are unsuccessful, we evaluate 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.





CRITICAL MATERIALS AND CONFLICT MINERALS

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, as is customary in our annual conflict minerals due diligence program, 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. We communicate our Conflict Minerals Policy to all suppliers and encourage them to adopt similar policies and undertake reasonable due diligence with respect to their own supply chains.

In addition to conflict mineral due diligence, we continually evaluate risks related to critical materials used in our products, including conflict minerals and other essential commodities (e.g., steel, plastics, copper and brass) subject to supply chain restrictions. We seek to balance costs and risks related to shifting markets and supply pressures to ensure product availability.

In 2022, we 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**
- **Business continuity and supplier development plans**

ESG CONTENT INDEX

zurn ELKAY



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AND U.N. SDG INDEX

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ZURN ELKAY SASB, GRI AND U.N. SDG INDEX

TOPIC	ACCOUNTING METRIC	UNITS	2022 RESPONSE	SASB ^(a)	GRI ^(b)	U.N. SDG
General Disclosures	Name of the organization	--	Zurn Elkay Water Solutions Corporation	--	102-1	--
	A description of the organization's activities, brands, products and services	--	About Zurn Elkay Water Solutions, Page 6	--	102-2	6 Clean water and sanitation
	Location of headquarters (address of principal executive offices)	--	511 W. Freshwater Way, Milwaukee, Wisconsin 53204	--	102-3	--
	External initiatives	--	Communities, Page 74	--	102-12	--
	Statement from senior decision-maker	--	Message from our Chairman and CEO, Page 3	--	102-14	--
Greenhouse Gas Emissions	Gross global Scope 1 emissions (direct GHG emissions)	Metric tons (t) CO ₂ e	13,256	RT-CP-110a.1	305-1	13 Climate Action
	Percentage of global Scope 1 emissions covered under emissions-limiting regulations	Percentage (%)	0	RT-CP-110a.1	305-1	
	Gross market-based energy indirect Scope 2 GHG emissions	Metric tons (t) CO ₂ e	13,264	--	305-2	
	Gross other indirect Scope 3 category 1: Purchased goods and services	Metric tons (t) CO ₂ e	256,017	--	305-3	
	Gross other indirect Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)	Metric tons (t) CO ₂ e	7,237	--	305-3	
	Gross other indirect Scope 3 category 4: Upstream transportation and distribution	Metric tons (t) CO ₂ e	28,442	--	305-3	

ZURN ELKAY SASB, GRI AND U.N. SDG INDEX

TOPIC	ACCOUNTING METRIC	UNITS	2022 RESPONSE	SASB ^(a)	GRI ^(b)	U.N. SDG
Greenhouse Gas Emissions	Gross other indirect Scope 3 category 5: Waste generated in operations ^(c)	Metric tons (t) CO ₂ e	7,796	--	305-3	13 Climate Action
	Gross other indirect Scope 3 category 6: Business travel	Metric tons (t) CO ₂ e	872	--	305-3	
	Gross other indirect Scope 3 category 7: Employee commuting	Metric tons (t) CO ₂ e	5,663	--	305-3	
	Gross other indirect Scope 3 category 9: Downstream transportation and distribution	Metric tons (t) CO ₂ e	9,906	--	305-3	
	Gross total other indirect Scope 3 GHG emissions ^(d) all reported categories	Metric tons (t) CO ₂ e	315,934	--	305-3	
	Scope 1 and 2 GHG emissions intensity based on fiscal year sales/revenue	t CO ₂ e / \$M revenue	16.8	--	305-4	
	Discussion of long-term and short-term strategy or plan to manage Scope 1 GHG emissions, emissions reduction targets, and an analysis of performance against those targets.	--	ESG Goal and Targets, Page 12	RT-CP-110a.2	--	
Air Quality	Nitrogen oxides (NOx) - Air Emissions	Metric tons (t)	11.10	RT-CP-120a.1	305-7	3 Good Health and Well-Being 11 Sustainable Cities and Communities
	Sulfur oxides (SOx) - Air emissions	Metric tons (t)	0.07	RT-CP-120a.1	305-7	
	Volatile organic compounds (VOC) - Air emissions	Metric tons (t)	2.55	RT-CP-120a.1	305-7	
	Hazardous air pollutants (HAP) - Air emissions	Metric tons (t)	0.22	RT-CP-120a.1	305-7	
	Particulate matter (PM) - Air emissions	Metric tons (t)	1.82	RT-CP-120a.1	305-7	

ZURN ELKAY SASB, GRI AND U.N. SDG INDEX

TOPIC	ACCOUNTING METRIC	UNITS	2022 RESPONSE	SASB ^(a)	GRI ^(b)	U.N. SDG
Air Quality	NOx air emissions intensity based on fiscal year sales/revenue	t NOx / \$M revenue	0.0070	RT-CP-120a.1	305-7	3 Good Health and Well-Being 11 Sustainable Cities and Communities
	VOC air emissions intensity based on fiscal year sales/revenue	t VOC / \$M revenue	0.0016	RT-CP-120a.1	305-7	
	HAP air emissions intensity based on fiscal year sales/revenue	t HAP / \$M revenue	0.0001	RT-CP-120a.1	305-7	
	PM air emissions intensity based on fiscal year sales/revenue	t PM / \$M revenue	0.0012	RT-CP-120a.1	305-7	
	SOx air emissions intensity based on fiscal year sales/revenue	t SOx / \$M revenue	0.00004	RT-CP-120a.1	305-7	
Energy Management	Total energy consumed	Gigajoules (GJ)	414,308	RT-EE-130a.1	302-1	7 Affordable Clean Energy 13 Climate Action
	Percentage grid electricity	Percentage (%)	33.2	RT-EE-130a.1	--	
	Percentage renewable	Percentage (%)	3.3	RT-EE-130a.1	--	
	Energy intensity based on fiscal year sales/revenue	MWh / \$M revenue	72.8	--	302-3	

ZURN ELKAY SASB, GRI AND U.N. SDG INDEX

TOPIC	ACCOUNTING METRIC	UNITS	2022 RESPONSE	SASB ^(a)	GRI ^(b)	U.N. SDG
Water Management	Total water withdrawn	Thousand cubic meters (m ³)	244.4	RT-CP-140a.1	303-3	6 Clean Water and Sanitation 14 Life Below Water
	Total water discharged	Thousand cubic meters (m ³)	213.3	--	303-4	
	Total water consumed	Thousand cubic meters (m ³)	31.1	RT-CP-140a.1	303-5	
	Percentage of total water consumed in regions with high or extremely high baseline water stress	Percentage (%)	37.6	RT-CP-140a.1	303-3	
	Description of water management risks and discussion of strategies and practices to mitigate those risks	--	Water Consumption, Page 40	RT-CP-140a.2	303-2	
	Management of water discharge-related impacts	--	Zurn will meet or exceed the regulatory water discharge standards applicable to the locations where it operates. Where discharge standards do not exist, Zurn will manage wastewater consistent with its Commitment to Sustainability.	--	303-2	
	Number of incidents of noncompliance associated with water quality permits, standards, and regulations	Number (#)	1	RT-CP-140a.3	--	
Waste Management	Total waste generated	Metric tons (t)	19,296	--	306-3	12 Responsible Consumption and Production 15 Life on Land
	Total waste diverted from disposal (recycled and reuse)	Metric tons (t)	7,140	--	306-4	
	Percentage of total waste diverted from disposal (recycled and reuse)	Percentage (%)	37	--	306-4	
	Total waste directed to disposal	Metric tons (t)	12,156	--	306-5	
	Amount of nonhazardous waste directed to disposal	Metric tons (t)	12,135	--	306-5	
	Nonhazardous waste intensity	Metric tons (t) / \$M revenue	12.2	--	--	

ZURN ELKAY SASB, GRI AND U.N. SDG INDEX

TOPIC	ACCOUNTING METRIC	UNITS	2022 RESPONSE	SASB ^(a)	GRI ^(b)	U.N. SDG
Hazardous Waste Management	Amount of hazardous waste generated, as defined per U.S. EPA RCRA regulations and other regulatory frameworks applicable within the jurisdictions where the waste is generated	Metric tons (t)	21.3	RT-EE-150a.1	306-3	12 Responsible Consumption and Production 15 Life on Land
	Hazardous waste intensity	Metric tons (t) / \$M revenue	0.01	--	--	
	Percentage of hazardous waste generated out of total waste, as defined per U.S. EPA RCRA regulations and other regulatory frameworks applicable within the jurisdictions where the waste is generated	Percentage (%)	0.11	RT-EE-150a.1	306-3	
	Percent of hazardous waste recycled, as defined per U.S. EPA RCRA regulations and other regulatory frameworks applicable within the jurisdictions where the waste is generated	Percentage (%)	2.8	RT-EE-150a.1	306-4	
	Number of reportable spills	Number (#)	0	RT-EE-150a.2	--	
	Aggregate quantity of reportable spills	Kilograms (kg)	0	RT-EE-150a.2	--	
	Quantity of reportable spills recovered	Kilograms (kg)	0	RT-EE-150a.2	--	
Occupational Health and Safety	Occupational health and safety (OH&S) management system	--	Safety in Our Facilities, Page 50 Health and Safety Audits, Page 51	--	403-1	3 Good Health and Well-being
	Description of OH&S processes/procedures for hazard identification, risk assessment, and incident investigation	--	Hazard Identification, Risk Assessment and Incident Investigation, Page 52	--	403-2	
	Description of OH&S training for workers, including reporting number of training days	--	Occupational Health and Safety Training for Associates, Page 53	--	403-5	
	Total recordable incident rate (TRIR) per 200,000 hours worked, globally	Rate	1.21	RT-IG-320a.1	403-9	
	Fatality rate	Number (#)	0	RT-IG-320a.1	403-9	
	Lost time incident rate (LTIR) per 200,000 hours worked, globally	Rate	0.37	TR-MT-320a.1	403-9	
	Percentage of employees participating in "best practice" health and well-being programs that help to reduce absenteeism and improve productivity	Percentage (%)	>80	--	--	

ZURN ELKAY SASB, GRI AND U.N. SDG INDEX

TOPIC	ACCOUNTING METRIC	UNITS	2022 RESPONSE	SASB ^(a)	GRI ^(b)	U.N. SDG
Product Safety	Number of recalls issued, total units recalled	Number (#)	Zero recalls issued under any U.S. Government regulations (i.e., U.S. Consumer Product Safety Commission)	RT-EE-250a.1	--	8 Decent Work and Economic Growth
	Total amount of monetary losses as a result of legal proceedings associated with product safety	Dollars (\$)	Web Link to SEC Filings – 10K Information on legal proceedings is disclosed in our Annual Report on Form 10-K and in our Quarterly Reports on Form 10-Q.	RT-EE-250a.2	--	12 Responsible Consumption and Production
Employee Recruitment, Inclusion & Performance	Employee engagement; conducted by third-party survey. The survey included questions or statements related to goal setting, support to achieve goals, training and development, work processes, and commitment to the organization. Percentage calculated as the number (#) of employees who are actively engaged divided by the total number (#) of employees who completed the survey.	Percentage (%)	69	CG-EC-330a.1	--	8 Decent Work and Economic Growth
	Voluntary employee turnover rate, globally	Percentage (%)	20.3	CG-EC-330a.2	401-1	
	Involuntary employee turnover rate, globally	Percentage (%)	12.6	CG-EC-330a.2	401-1	
	Employee turnover - total	Percentage (%)	32.9	CG-EC-330a.2	401-1	
	R&D personnel talent development	--	Professional Development, Page 64	HC-BP-330a.1	--	

ZURN ELKAY SASB, GRI AND U.N. SDG INDEX

TOPIC	ACCOUNTING METRIC	UNITS	2022 RESPONSE	SASB ^(a)	GRI ^(b)	U.N. SDG
Diversity and Employee Demographics	Percentage of females in the workforce, globally	Percentage (%)	32	CG-EC-330a.3	405-1	8 Decent Work and Economic Growth 5 Gender Equality 10 Reduced Inequalities
	Percentage of female representation in management, globally	Percentage (%)	30	CG-EC-330a.3	405-1	
	Percentage of female representation in manufacturing, globally	Percentage (%)	26	CG-EC-330a.3	405-1	
	Percentage of minorities in the U.S. workforce	Percentage (%)	41	CG-EC-330a.3	405-1	
	Percentage of minority representation in U.S. management	Percentage (%)	16	CG-EC-330a.3	405-1	
	Percentage of minority representation in U.S. manufacturing	Percentage (%)	59	CG-EC-330a.3	405-1	
	Percentage of technical employees who are H-1B visa holders	Percentage (%)	1	CG-EC-330a.4	405-1	
	Zurn policies and programs for fostering equitable employee representation across global operations	--	Diversity, Equity and Inclusion, Page 68 Employee Resource Groups, Page 70 Belonging at Zurn Elkay, Page 71	CG-EC-330a.3	405-1	
Board of Directors Demographics	Percentage of female representation on the Board of Directors	Percentage (%)	20	CG-EC-330a.3	405-1	5 Gender Equality 10 Reduced Inequalities
	Percentage of minority representation on the Board of Directors	Percentage (%)	10	CG-EC-330a.3	405-1	
	Percentage of women and minority men representation on the Board of Directors	Percentage (%)	30	CG-EC-330a.3	405-1	
	Median Board of Director age	Number (#)	61	CG-EC-330a.3	405-1	

ZURN ELKAY SASB, GRI AND U.N. SDG INDEX

TOPIC	ACCOUNTING METRIC	UNITS	2022 RESPONSE	SASB ^(a)	GRI ^(b)	U.N. SDG
Labor Practices	Ratios of the standard entry level wage at U.S. significant locations of operation to the minimum wage	Percentage (%)	186	--	202-1	8 Decent Work and Economic Growth
	Percentage of active workforce covered under collective bargaining agreements	Percentage (%)	10.9	IF-WM-310a.1	--	
	Number of work stoppages	#, Days	0	IF-WM-310a.2	--	
	Number of total days idle	#, Days	0	IF-WM-310a.2	--	
	Working hours policies	--	Implemented Disconnect-from-Work Policy in Canada in 2022; reviewing same for U.S. in 2023	--	--	
	Percentage of employee restructuring layoffs granted severance agreements, outplacement, retraining and reemployment support	Percentage (%)	100	--	--	
	Profit per employee	Dollars (\$)	23,292	--	--	
Products and Lifecycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	Percentage (%) by revenue	Not applicable to Zurn Elkay. Zurn Elkay does not manufacture electrical and electronic equipment that meet this criteria.	RT-EE-410a.1	--	12 Responsible Consumption and Production
	Percentage of eligible products, by revenue, that meet ENERGY STAR [®] criteria	Percentage (%) by revenue		RT-EE-410a.2	--	
	Revenue from renewable energy-related and energy efficiency-related products	Dollars (\$)		RT-EE-410a.3	--	
	Percentage of revenue from products with sustainable attributes ^(e)	Percentage (%) by revenue		86	--	

ZURN ELKAY SASB, GRI AND U.N. SDG INDEX

TOPIC	ACCOUNTING METRIC	UNITS	2022 RESPONSE	SASB ^(a)	GRI ^(b)	U.N. SDG
Supply Chain Management	Description of efforts to maintain traceability within the distribution chain	--	Critical Materials and Conflict Minerals, Page 100	HC-MS-430a.2	--	8 Decent Work and Economic Growth 12 Responsible Consumption and Production
	Proportion of spending on local suppliers as percentage of the procurement budget (percentage of products and services purchased locally). Local is defined as domestic U.S. supplier spend.	Percentage (%)	49	--	204-1	
	Diverse supplier spend on businesses owned by women, minorities, disabled individuals, veterans, LGBTQ+ community members, and located in HUBZones	Dollars (\$)	7,200,000	--	--	
	Total weight of non-renewable materials that are used to produce and package the organization's primary products	Million Pounds (lb)	171.8	--	301-1	
	Total weight of renewable materials that are used to produce and package the organization's primary products	Million Pounds (lb)	6.6	--	301-1	
	New suppliers that were screened using environmental criteria.	Percentage (%)	Supplier Screening and Assessment, Page 97	--	308-1	
	New suppliers that were screened using social criteria.	Percentage (%)	Supplier Screening and Assessment, Page 97	--	414-1	
Materials Sourcing	Description of the management of risks associated with the use of critical materials	--	Critical Materials and Conflict Minerals, Page 100	RT-EE-440a.1	--	12 Responsible Consumption and Production

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TOPIC	ACCOUNTING METRIC	UNITS	2022 RESPONSE	SASB ^(a)	GRI ^(b)	U.N. SDG
Business Ethics	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	--	<ul style="list-style-type: none"> • Anti-Corruption Law Policy • Anti-Trust Policy • Code of Business Conduct and Ethics • Supplier Code of Conduct 	RT-EE-510a.1	--	
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Dollars (\$)	Web Link to SEC Filings – 10K Information on legal proceedings is disclosed in our Annual Report on Form 10-K and in our Quarterly Reports on Form 10-Q.	RT-EE-510a.2	--	16 Peace and Justice Strong Institutions
	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Dollars (\$)	Web Link to SEC Filings – 10K Information on legal proceedings is disclosed in our Annual Report on Form 10-K and in our Quarterly Reports on Form 10-Q.	RT-EE-510a.3	--	
Volunteerism	Volunteer Hours	Number (#)	5,406	--	--	11 Sustainable Cities and Communities
Activity Metrics	Number of units produced by product category	Number (#)	Web Link to SEC Filings – 10K Zurn creates a wide variety of water management products and sales data is provided in our annual report to shareholders on Form 10-K.	RT-EE-000.A	--	6 Clean water and sanitation
	Number of employees	Number (#)	2,600	RT-EE-000.B	--	--

(a) Version 2018-10: SASB Electrical and Electronic Equipment Standard RT-EE, Version 2018-10: SASB Industrial Machinery & Goods Standard RT-IG, Version 2018-10: SASB Containers & Packaging Standard RT-CP, Version 2018-10: SASB E-Commerce Standard CG-EC, Version 2018-10: SASB Waste Management Standard IF-WM, Version 2018-10: SASB Medical Equipment & Supplies Standard HC-MS, Version 2018-10: SASB Biotechnology & Pharmaceuticals Standard HC-BP, and Version 2018-10: SASB Marine Transportation Standard TR-MT.

(b) GRI 102 General Disclosures 2016, GRI 202 Market Presence 2016, GRI 204 Procurement Practices 2016, GRI 301 Materials 2016, GRI 302 Energy 2016, GRI 303 Water and Effluents 2018, GRI 305 Emissions 2016, GRI 306 Waste 2020, GRI 308 Supplier Environmental Assessment 2016, GRI 401 Employment 2016, GRI 403 Occupational Health and Safety 2018, GRI 405 Diversity and Equal Opportunity 2016, and GRI 414 Supplier Social Assessment 2016.

(c) Gross other indirect Scope 3 category 5: Waste generated in operations was reported for Zurn only operations in 2022.

(d) Scope 3 GHG categories reported include: Category 1 - Purchased goods and services; Category 3 - Fuel- and energy-related activities; Category 4 - Upstream transportation and distribution; Category 5 - Waste generated in operations; Category 6 - Business travel; Category 7 - Employee commuting; and Category 9 - Downstream transportation and distribution.

(e) Sustainable Attributes: The European Unions (EU's) Taxonomy Regulation provides a classification system for sustainable activities and Zurn Elkay uses as guidance for defining products with sustainable attributes. In accordance with the EU Taxonomy for sustainable activities, for Zurn Elkay's products to be considered a sustainable economic activity it must meet the following two criteria: (1) contribute to at least one of six environmental objectives listed in the Taxonomy; and (2) do no significant harm to any of the other objectives, while respecting basic human rights and labor standards.

The Zurn products that meet the Taxonomy's definition of sustainable economic activities fall into the following categories: (1) water conservation products that help to reduce water usage and save water; (2) products that help protect and manage clean water, including hygienic solutions that enhance and ensure water quality, safety, and flow control; (3) products that help to reduce energy consumption and are considered energy efficient; (4) products that help customers avoid generation of GHG emissions; (5) technologically advanced products that support monitoring of water usage and rapid response to issues, facilitating efficiency and safety; (6) products with a high content of recycled material (i.e., recycled content constitutes at least 20%, based on cost, of the total value of the materials in the project), thereby reducing impacts resulting from extraction and processing of virgin materials; and (7) products that help prevent and reduce waste generation and reduce the use of disposable products such as water bottle filling stations, which minimize the dependency on disposable plastic bottles."

ZURN ELKAY TCFD INDEX

TCFD DISCLOSURE FOCUS AREA	TCFD RECOMMENDED DISCLOSURE	2022 RESPONSE
Governance	a) Describe the board's oversight of climate-related risks and opportunities.	CDP Climate Change 2021 - C1.1b Board Oversight of ESG, Page 90
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	CDP Climate Change 2021 - C1.2 CDP Climate Change 2021 - C1.2a
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	CDP Climate Change 2021 - C2.1a CDP Climate Change 2021 - C2.3 CDP Climate Change 2021 - C2.3a CDP Climate Change 2021 - C2.4 CDP Climate Change 2021 - C2.4a
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	CDP Climate Change 2021 - C2.3a CDP Climate Change 2021 - C2.4a CDP Climate Change 2021 - C3.1 CDP Climate Change 2021 - C3.3 CDP Climate Change 2021 - C3.4
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	CDP Climate Change 2021 - C3.2

ZURN ELKAY TCFD INDEX

TCFD DISCLOSURE FOCUS AREA	TCFD RECOMMENDED DISCLOSURE	2022 RESPONSE
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks.	CDP Climate Change 2021 - C2.1 CDP Climate Change 2021 - C2.2 CDP Climate Change 2021 - C2.2a GHG Emissions and Carbon Reduction Program, Page 37
	b) Describe the organization's processes for managing climate-related risks.	CDP Climate Change 2021 - C2.1 CDP Climate Change 2021 - C2.2
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	CDP Climate Change 2021 - C2.1 CDP Climate Change 2021 - C2.2 GHG Emissions and Carbon Reduction Program, Page 37
Metrics & Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	CDP Climate Change 2021 - C4.2 CDP Climate Change 2021 - C4.2b CDP Climate Change 2021 - C9.1
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	CDP Climate Change 2021 - C6.1 CDP Climate Change 2021 - C6.3 CDP Climate Change 2021 - C6.5 Zurn Elkay SASB, GRI and U.N. SDG Index, Page 103
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	CDP Climate Change 2021 - C4.1 CDP Climate Change 2021 - C4.1b CDP Climate Change 2021 - C4.2 CDP Climate Change 2021 - C4.2b ESG Goals and Targets Section, Page 13



2022 SUSTAINABILITY REPORT

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