

Welcome to your CDP Climate Change Questionnaire 2022

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Zurn Water Solutions Corporation (Zurn), headquartered in Milwaukee, is a growth-oriented, pure-play water management business that designs, procures, manufactures, and markets what we believe is the broadest sustainable product portfolio of specification-driven water management solutions to improve health, human safety and the environment. In 2021, we completed the spin-off of our Process & Motion Control business and changed our name from Rexnord Corporation to Zurn Water Solutions Corporation. With this submittal, we are responding to the 2022 CDP CDP Water Security Questionnaire, representing calendar year 2021 activity, as Zurn Water Solutions Corporation for the first time.

Becoming a pure-play water management company has strengthened our ability to grow both as a water business and as a leader in sustainability. Our sole focus on water helps ensure our customers can meet the sustainability and safety expectations of the people and communities they support. Zurn's product portfolio includes professional grade water safety and control, flow systems and hygienic and environmental products for public and private spaces that deliver superior value to building owners, positively impact the environment and human hygiene and reduce product installation time. Zurn's heritage of innovation and specification have allowed us to provide highly-engineered, mission-critical solutions to customers for decades and affords us the privilege of having long-term, valued relationships with market leaders. Every day approximately 1,200 associates work to deliver smarter solutions to our customers and create long-term value for our shareholders.

Zurn is a leading provider of specification-driven water management solutions to the multi-billion dollar construction market of primarily commercial and institutional buildings and to a lesser extent to the waterworks and multi-family residential construction markets. Our strategy is to build Zurn around a strategic platform that participates in end markets with sustainable growth characteristics where we are, or have the opportunity to become, the industry leader. We have a track record of acquiring and integrating companies and expect to continue to pursue strategic acquisitions that will broaden our product lines, allow us to move into adjacent markets and expand our geographic presence.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years
Reporting year	January 1, 2021	December 31, 2021	No

C0.3

(C0.3) Select the countries/areas in which you operate.

- Canada
- United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

- USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

- Operational control

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

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

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

- Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board Chair	The Chair of the ESG Committee is a member of the Board of Directors and has oversight of all parts of Zurn operations, oversees Zurn's strategy planning process, which includes ensuring we pursue business opportunities that further climate action and resiliency goals. The Board Chair ensures appropriate attention and availability of resources to address Zurn's climate impact, including quantifying greenhouse gas (GHG) emissions, assessing vulnerability to climate change, and implementing decarbonization strategies to reduce climate impacts. An example of a Board decision includes developing and publishing specific ESG related targets, including commitments to reduce GHG emissions and energy use, which are described further in this CDP response and are detailed in Zurn's 2021 Sustainability Report.
Board-level committee	The Board of Directors ESG Committee oversees company management's ESG-related efforts, including creation of ESG initiatives, plans and policies, performance on ESG initiatives, and response to stockholder proposals on ESG matters and other significant ESG-related stakeholder concerns. Specific responsibilities of the Board-level Committee include, but are not limited to, oversight of ESG risks and opportunities, including those related to climate change, and managing performance and long-term success towards our decarbonization commitments. The Committee meets at least twice throughout the year and more frequently as deemed necessary to fulfill its responsibilities pertaining to ESG matters and oversight. An example of a recent Committee decision includes joining the UN Global Compact, which reaffirms Zurn's commitment to universal principles on human rights, labor, anti-corruption and the environment. Our mission at Zurn Water Solutions aligns directly with UN SDG Goal 6: to ensure availability and sustainable management of water and sanitation for all.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	<ul style="list-style-type: none"> Reviewing and guiding strategy Reviewing and guiding major plans of action 	Climate opportunities are inherent in a number of our product lines (e.g., water efficiency products), and therefore climate-related issues are regularly integrated in the review of the business strategy and investment

	<p>Reviewing and guiding risk management policies</p> <p>Reviewing and guiding annual budgets</p> <p>Reviewing and guiding business plans</p> <p>Setting performance objectives</p> <p>Monitoring implementation and performance of objectives</p> <p>Overseeing major capital expenditures, acquisitions and divestitures</p>	<p>planning. An example is the review and support of recent launch of the Hydro-X Power technology, which is within Zurn's touchless sensor faucet portfolio.</p> <p>Hydro-X is a small hydrogenator turbine that uses the water activated from the sensor faucet to recharge the cell to deliver sustainable energy for 10 plus years. We harness the power of flushing water rather than continually replacing batteries.</p> <p>Zurn'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 to the business and periodic reporting to the Board regarding the most significant risks to the company's business.</p> <p>Physical risks related to climate change are integrated in our business continuity and disaster recovery planning process, which is reviewed at least annually by the Board. The Board also approved new governance policies that reflect our commitments, with streamlined reporting that provides increased transparency for our shareholders and other stakeholders, in addition to reviewing Zurn's annual Sustainability Report and program initiatives. The Board periodically receives updates on our sustainability performance.</p>
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C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues
Row 1	Yes	<p>Zurn's Board of Directors includes David Longren, who serves as Chair of the Environmental, Social & Governance (ESG) Committee and is tasked with overseeing the management of the company's ESG-related efforts. David Longren provides a wealth of knowledge in general business leadership, innovation and product development. A former Vice President and Chief Technology Officer for Polaris, David brings both technological prowess, along with a deep understanding of Zurn's business, and is an expert in innovation, risk and audit. As a pure-play water management company, David Longren serves a vital role in managing the relationship of the Board's ESG efforts to climate-related</p>

		risks, opportunities, and impacts.
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C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Sustainability committee	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

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

The executive-level ESG Committee consists of the VP-Investor Relations, Director – EHS, VP – Risk Management, VP – Supply Chain, VP – General Counsel, VP/GM – Sector, VP - HR, Director – Marketing Division, and Director – Corporate Communications.

The ESG Committee reports to the Chief Financial Officer (CFO) and Board ESG Committee. Providing cross-functional input and review to strategic ESG and climate matters ensures that the climate strategy is embedded within all aspects of the business. The ESG Committee may delegate duties and responsibilities to one or more subcommittees and may retain outside advisors as it deems necessary.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

Provide incentives for the management of climate-related issues	Comment

Row 1	Yes	The company provides recognition incentives for ESG issues, including climate-related issues. These include company-wide Continuous Improvement (CI) intranet posts, management recognition and being featured in the Sustainability report.
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C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
All employees	Non-monetary reward	Emissions reduction project Energy reduction project Efficiency project Behavior change related indicator Environmental criteria included in purchases	Zurn recently introduced an employee-led social impact fund to provide resources for associate ideas that advance our sustainability efforts. Zurn knows that the best and most innovative ideas come from our associates and we are ready to fund those ideas. The Fund provides financial backing and resources for innovative associate ideas that help our company advance our ESG efforts. Our future depends on our ability to act responsibly with the relentless pursuit of sustainable progress, which is fueled by the innovative ideas of our associates. Through the ideas our associates bring forward, we can transform the communities where we live and work.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	Objectives and budgets are set annually.
Medium-term	1	3	Breakthrough objectives are identified to be achieved within three years.

Long-term	3	10	Long-term market trends help guide the company's strategic decisions.
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C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

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

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

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

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
 Upstream
 Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Zurn's Business Continuity Manager within the corporate Risk Management team evaluates the organization and its upstream and downstream components for risks to the business. Zurn Water Solution's Business Continuity Planning Program is organized at several levels. A formal organizational-wide plan has been developed under executive level supervision and, in addition, plans have been developed at the plant or facility levels.

The Business Continuity Plans (BCPs) outline the response process to business interruption including climate-related risks and opportunities and the Business Continuity Team roles and responsibilities for assuring that critical processes and services are maintained. The Business Continuity plans include supply chain and operational risks with contingency plans for supporting delivery of product in the event of a business disruption. We conduct robust risk assessments to gauge possible risk factors facing our business, from issues such as supply chain disruptions, damage assessments, COVID-19 concerns, and adverse economic and financial market conditions. A disclosure of risk factors is available in our annual 10-K filing.

The Zurn Water Solution BCPs are compliant with the ISO 22301 standard governing Business Continuity Management (BCM). Accordingly, an outside third-party consulting firm, with Zurn's Business Continuity Manager's supervision, is engaged to conduct testing and training of all Business Continuity Plans (BCP's) on a minimum bi-annual frequency. Additionally, an outside third-party consulting firm, with Zurn's Business Continuity Manager's supervision, is engaged to conduct updated business impact analysis of all select sites on a minimum once-every-five-year frequency. Furthermore, all BCMS records, procedures, pre-incident and post-incident reports are to be compliant with ISO 22301 standard. Zurn may elect as needed or recommended to conduct ISO 22301 BCMS audits at select sites using a third-party certified ISO 22301 auditor.

Zurn's risks, including climate- and water-related risks, are managed through a comprehensive program that is broken down into the continuity of the 4 pillars of BCP at Zurn Water Solutions. These pillars are built upon the Core Continuity Functions, which supports all continuity functions. The 4 Pillars of BCP are People, Premises, Process, and Product. The Core Continuity Functions are the foundation upon which the Pillars are built upon. The vital functions are our superior customer care, information technology (IT), finance, and human resources.

Recovering and protecting our people is the first and most important aspect of a continuity after a major incident. With the increase in physical climate change impacts, such as flooding, wildfires, and power outages to both our facilities and our suppliers, Zurn's BCP Program includes an Emergency Action Plan & Fire Prevention Program to address those physical risks. The Emergency Action Plan has been implemented to establish procedures and organizational structure for responding and managing emergency situations in a manner that is systematic, efficient, and gives primary consideration to life safety. Emergencies addressed in this plan include severe weather,

fires, gas leaks, and utility outages.

We also take a forward-looking approach to managing transitional risks and opportunities to climate change in key areas throughout our company, which include business continuity planning, new product and technological advancements, IT protection, disaster recovery planning, and emergent risk evaluations. Of critical importance to our transitional planning is new product development and technological advancements such as our water quality, safety, flow control and conservation products such as sensor faucets, flush valves, low-flow fixture and carrier systems. Creation of sustainable and hygienic products that help our customers achieve greater resource efficiency is an example of how Zurn has planned and is ready to adapt and change to maintain the business and manage risk and opportunities effectively.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Zurn continuously monitors the transition risks of current regulations related to climate change, on both the national and international levels. The risk category is relevant due to financial risk of non-compliance (i.e., fines and penalties), but also in terms of potential opportunities.
Emerging regulation	Relevant, always included	As emerging regulations are identified, understanding how to comply is part of assessing decisions. ESG reporting legislation, climate disclosures, mandated GHG reductions and low carbon fuels are examples of potential regulatory risks that we monitor. Zurn Water Solutions is prepared for the forthcoming SEC rule on disclosing climate-related disclosures in annual filings. Zurn publishes annual ESG reports aligned with financial reporting and monitors its environmental impacts such as water withdrawals and greenhouse gas emissions. Zurn has recorded and tracked its greenhouse gas emissions, setting in place a means of governance and accountability of emissions and energy related targets, so as to provide routine disclosure and a performance based on continuous improvement.
Technology	Relevant, always included	Technology risks and opportunities related to climate change are integral to our business, which serve the energy and water markets, where technological innovation and reliability are key components to our success and where lack of product and production innovations could lead to a competitive disadvantage. The successful implementation of our business strategy requires us to continuously evolve our existing water safety & control, hygienic & environmental products and introduce new products to meet customers' needs in the industries we serve. Our products are characterized by stringent performance and specification requirements that mandate a high degree of manufacturing and engineering expertise. Zurn supplies the

		industry’s widest range of advanced water system and hygienic solutions that enhance and ensure water quality, safety, flow control and conservation.
Legal	Relevant, always included	Legal risks are regularly evaluated due to financial and reputational risks, for example through fines and penalties, business disruption or reputational damages that impact sales of our products. Our water safety, quality, and flow control encompass a wide range of valve products, distribution and drainage products and site works products. Key valve products include backflow preventers, fire system valves, pressure reducing valves and thermostatic mixing valves. These highly-specified and engineered flow control devices protect and control the potable water supply and emergency water supply within a building or site. are Designed to meet the stringent requirements of independent test labs, such as the Foundation for Cross Connection Control and Hydraulic Research at USC, NSF, UL and FM, they are sold into commercial, institutional, and industrial new construction and retrofit applications as well as the fire protection, municipal water and wastewater and irrigation end markets.
Market	Relevant, always included	<p>Market variables are part of assessing decisions. For example, energy pricing and incentives can impact the cost of energy in our production facilities, the cost of purchased energy-intense materials, and the revenue from the sale of more energy-efficient products to our customers. We believe that our customers rigorously evaluate their suppliers on a number of factors, including product quality, price competitiveness, technical and manufacturing expertise, development and product design capability, new product innovation, reliability and timeliness of delivery, operational flexibility, customer service and overall management.</p> <p>Climate-related risks can impact our ability to meet our customer’s changing specifications with respect to these criteria. As such, Zurn has set a goal as published in our 2021 Sustainability report to achieve at least 75-percent of our revenues derived from products with sustainable attributes by 2024.</p> <p>Zurn’s products with sustainable attributes includes: water conservation products; products that help protect and manage clean water, including hygienic solutions that enhance and ensure water quality, safety, and flow control; products that help to reduce energy consumption and are considered energy efficient; products the help customers avoid generation of GHG emissions; technologically advanced products that support monitoring of water usage and rapid response to issues, facilitating efficiency and safety; and products with a high content of recycled, thereby reducing impacts resulting from extraction and processing of virgin materials. As climate-change impacts water availability, Zurn offers sustainable and resilient solutions that enhance water management and efficiency of resources.</p>

Reputation	Relevant, always included	Protecting the company's reputation is part of assessing decisions. For example, changing market behavior toward green products can drive revenue growth and brand reputation as customers increasingly seek water efficient products and energy efficient processes.
Acute physical	Relevant, always included	Acute physical climate related risks are evaluated through our business continuity planning (BCP) process. While the probability of acute physical risks (e.g., hurricanes, wildfires, etc.) cannot be accurately forecasted for any given location, we do anticipate increasing frequency and severity of severe weather events and are developing and/or adjusting business continuity plans accordingly. Zurn has six sites that are located in areas with high or extremely high Baseline Water Stress according to the World Resources Institute's (WRI's) Water Risk Atlas tool, Aqueduct. A major weather event such as a hurricane, tornado, flood, or other catastrophic event could impact employee safety and disrupt our production and/or distribution, which could cause delays in completing sales, providing services, or performing other critical functions. The occurrence of such events can adversely affect our financial position and performance.
Chronic physical	Relevant, always included	We factor longer term shifts in climate patterns and potential impacts on our operations into our longer-term risk assessments to ensure we are resilient to the effects of climate change in our operations, our supply chain, and in our product lines. This is captured by our risk management and business continuity processes, as well as in our strategic planning process.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation

Carbon pricing mechanisms

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

Our Scope 1 and 2 carbon footprint is primarily composed of emissions from building heating/cooling activities and electricity consumption. Escalating carbon prices can negatively impact operating costs as regulations on carbon, including carbon taxes and emission reduction mandates increase in Canada and the United States where we operate and/or source materials from.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

101,630

Potential financial impact figure – maximum (currency)

609,780

Explanation of financial impact figure

As climate-related issues become a driver of regulation, we are seeing more discussion around carbon pricing instruments as a way of reducing emissions. A commonly discussed method is implementing a carbon tax, which is a cost per metric ton of emitted CO₂e. There is a wide range in literature of suggested carbon prices. To decide on our medium term carbon pricing range, we used a combination of the Regional Greenhouse Gas Initiative (RGGI) and CDP's analysis of the median internal carbon price disclosed by companies. According to these sources, a reasonable estimate for the medium term brackets would be a low end of \$10/metric ton CO₂e and a high end of \$60/metric ton of CO₂e. These values were multiplied by our current emissions of CO₂e to get a minimum and maximum potential financial impact.

Cost of response to risk

0

Description of response and explanation of cost calculation

Our current method for managing this risk includes monitoring and evaluating regulatory requirements at the global, federal, state, and local level and ensuring awareness across local markets. Climate risk in relation to energy pricing is assessed and managed through the Vice President of risk management, who manages the company's indirect supply chain purchasing function. The company's electricity and utility purchases are primarily managed by the indirect supply chain purchasing function. Additionally, Zurn is managing this risk by working on GHG reduction strategies, including commitments to reduce GHG emissions and energy use as published in our 2021 Sustainability report. Specifically, Zurn has set a target to reduce Scope 1 & Scope 2 GHG Emissions intensity by 50% by 2030 and has set a target to reduce energy intensity by 15% by 2024.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation
Enhanced emissions-reporting obligations

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

Securities and Exchange Commission (SEC) proposed rule: "The Enhancement and Standardization of Climate-Related Disclosures for Investors". The SEC proposed rules to enhance and standardize climate-related disclosures would require Zurn to include certain climate-related disclosures in our annual and periodic financial reports (i.e., annual 10K) including disclosure of Zurn greenhouse gas (GHG) emissions in our SEC filings, which include disclosure of GHG emissions from upstream and downstream activities in our value chain (Scope 3). Likewise, the SEC proposed rules will likely require Zurn to include an attestation report from an independent attestation service provider covering Scopes 1 and 2 emissions disclosures.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

420,000

Potential financial impact figure – maximum (currency)

600,000

Explanation of financial impact figure

Zurn has been measuring, calculating, and disclosing GHG emissions for several years in accordance with Greenhouse Gas Protocol methodology and guidance. Likewise, Zurn has commenced implementation of the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations into our ESG governance, strategy, and relevant risk management processes, which is aligned with the proposed SEC rule. However, the requirement of the proposed rule will result in additional financial impacts for three primary reasons: (1) Zurn must hire a third-party to provide the assurances required for the Scope 1 and 2 disclosure attestations; (2) Zurn must hire a third-party consultant to assist with the Scope 3 GHG emissions; and (3) Zurn must hire additional internal personnel to support compliance with the rule due to implementing new internal processes to ensure the climate reporting coincides with our SEC filings and can meet reporting deadlines. By the SEC's own cost estimates, this new ruling will cost smaller companies \$420,000 and will cost larger organizations in excess of \$600,000 to capture and report the climate related information annually. As such, the SEC cost estimates were used to establish the financial impact figures (range) for this emerging regulation risk.

Cost of response to risk

420,000

Description of response and explanation of cost calculation

The cost of Zurn's risk response was based on the cost of hiring outside professionals to provide the assurances required for the Scope 1 and 2 disclosure attestations, performing Scope 3 GHG emission calculations, and the cost of hiring a new staff member and including additional internal personnel to support the annual GHG and climate-related financial disclosures. Zurn believes the actual cost of response to this risk (\$420,000) may be less than this estimate because we are already reporting Scope 1, 2, and 3 GHG emissions. However, the level of effort to align our GHG emissions accounting with our financial accounting and within our SEC filings is yet to be fully determined.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical

Flood (coastal, fluvial, pluvial, groundwater)

Primary potential financial impact

Other, please specify

Increased insurance claims liability

Company-specific description

Our operations can be affected by severe seasonal weather conditions, such as hurricanes, floods, snowstorms or other inclement weather, which could cause temporary production disruptions in some of our facilities and/or property damage. The Company's operations could be adversely affected and our physical plants placed at greater risk of damage should changes in global climate produce unusual variations in temperature and weather patterns, resulting in more intense, frequent, and extreme weather events, abnormal levels of precipitation, and for operations located on or near coastlines, a change in sea level or sea temperatures. While severe weather events and other natural disasters could affect our operations at any given location(s) and have a negative impact on our business, financial condition, operational results, or cash flows, the timing and location of these impacts are not known with any certainty. Because of the decentralized nature of our business, with facilities located globally, any given event is anticipated to have isolated impact on our overall business; however the increased frequency and severity of these events over time could present a cumulative risk with multiple locations affected simultaneously.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Our operations can be affected by severe seasonal weather conditions, such as hurricanes, floods, snowstorms or other inclement weather, which could cause temporary production disruptions in some of our facilities and/or property damage. The Company's operations could be adversely affected and our physical plants placed at greater risk of damage should changes in global climate produce unusual variations in temperature and weather patterns, resulting in more intense, frequent, and extreme weather events, abnormal levels of precipitation, and for operations located on or near coastlines, a change in sea level or sea temperatures. Insurance can assist with recovering loss. Deductibles vary based on the type of loss, however they typically range from \$500,000 to \$1,000,000.

Cost of response to risk

1,000,000

Description of response and explanation of cost calculation

Property damage is covered by insurance. Our insurance deductible for floods is \$1,000,000.

Comment

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical
Wildfire

Primary potential financial impact

Decreased revenues due to reduced production capacity

Company-specific description

Changes in weather patterns and seasonal fluctuations affect certain segments of our business. Tropical storms also have an impact on global shipping patterns and sometimes global port capacity. As a worldwide company for both sales and supply chain, our production capacity could be impacted in terms of the ability to ship finished goods or receive shipments of components. Likelihood and severity of wildfires is expected to increase as climate change evolves. This could have an impact on our production facilities in certain regions such as California. Weather could also adversely

affect the demand for our water management products and decrease our net sales. Demand for our products is primarily driven by commercial construction activity, remodeling and retrofit opportunities, and to a lesser extent, new home starts. Weather is an important variable affecting financial performance as it significantly impacts construction activity. Adverse weather conditions, such as prolonged periods of cold or rain, blizzards, hurricanes and other severe weather patterns, could delay or halt construction and remodeling activity, which could have a negative effect on our business. For example, an unusually severe winter can lead to reduced construction activity and magnify the seasonal decline in our Water Management net sales and earnings during the winter months. In addition, a prolonged winter season can delay construction and remodeling plans and hamper the typical seasonal increase in net sales and earnings during the spring months.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1,084,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The California wildfires over the past several years have impacted our facilities in that region. For example, in 2019, a California plant had to be shut down due to wildfires for three shifts, resulting in a loss of revenue. As such, the potential financial impact figure for this risk is based on the estimated amount of revenue lost by having to close our Paso Robles, California facility for three (3) work shifts. The potential financial impact figure is the estimated amount of revenue lost by having to close the facility. Annual revenue at Paso Robles this year was approximately \$282,000,000. There are 780 shifts/year (3 shifts/day, 5 days/week, 52 weeks/year). Annual revenue (\$282M) divided by total number of shifts (780 shifts/year) equates to approximately \$361,500/shift. Three lost shifts gives us an estimated revenue loss of \$1.08M.

Cost of response to risk

Description of response and explanation of cost calculation

While severe weather events and other natural disasters could affect our operations at any given location(s) and have a negative impact on our business, financial condition, operational results, or cash flows, the timing and location of these impacts are not known with any certainty. Because of the decentralized nature of our business, with facilities located globally, any given event is anticipated to have isolated impact on our overall business; however the increased frequency and severity of these events over time could present a cumulative risk with multiple locations affected simultaneously. The response to this risk is therefore included in our business continuity planning process.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of new products or services through R&D and innovation

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Zurn's high performance roof drains help address the increased risk of heavy rain and flooding driven by climate change. Specifically, Zurn has recently introduced the scientifically advanced Flo-Force and Control-Flo roof drains, which have an advanced method of removing rainwater off dead-level or sloped roofs. The high-performance roof drains have a parabolic design that promotes laminar flow and allows for most efficient water evacuation off the roof. The drain's unique dome and gravel guard design increase open area to maximize water while limiting debris. The high-performance roof

drains reduce construction cost by optimizing storm system design with more efficient roof drain performance.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The High Performance Roof Drains were recently launched. Therefore, we do not have a financial impact figure at this time but will in the future.

Cost to realize opportunity

14,000,000

Strategy to realize opportunity and explanation of cost calculation

The cost to realize opportunities is a function of the company's total research, development and engineering (RDE) spend. As reported in the company's CY2021 Securities and Exchange Commission (SEC) Form 10-K, the company's total RDE spend in CY2021 was \$14M. The cost to realize this or any opportunity would only be a portion of that total spend.

Comment

To realize the High Performance Roof Drain opportunity, Zurn has invested in innovation by opening a 20,000-square foot engineering laboratory in Erie, PA. The laboratory allows us to conceive, design, prototype and test all drains faster than ever. In some cases, we've decreased development time from months to just weeks. Most recently, work done at the Erie laboratory led to the launch of the Flo-Force High Performance Roof Drain.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Reduced water usage and consumption

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Our focus on innovation and continuous improvement of our products has helped us deliver breakthroughs that address water consumption and efficiency of water use. Zurn's One Low-Flow Fixture and Carrier Systems have paired performance to deliver optimal flushing performance and waste line carry. Zurn is the only manufacturer to offer a high-efficiency carrier and a 1.1 gallons per flush toilet system. With 31 percent water consumption savings over traditional 1.6 gallons per flush toilet systems, we deliver an industry - leading line carry. Likewise, our Sensor Faucets and Flush Valves conserve water with ultra-low flow rates which Zurn provides at some of the lowest cost of ownership on the market.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

58,100,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Recent sales figures associated with Zurn One Low-Flow Fixture and Carrier Systems, Sensor Low-Flow Faucets, and Sensor Low-Flow Flush Valves totaled to \$58.1M.

Cost to realize opportunity

14,000,000

Strategy to realize opportunity and explanation of cost calculation

The cost to realize opportunities is a function of the company's total research, development and engineering (RDE) spend. As reported in the company's CY2021 Securities and Exchange Commission (SEC) Form 10-K, the company's total RDE spend in CY2021 was \$14M. The cost to realize this or any opportunity would only be a portion of that total spend.

Comment

Zurn continually invests in research and development to create clean technology water solutions that help our customers meet their water challenges and goals, with a team of more than 50 engineers dedicated to driving innovation and sustainability initiatives.

Identifier

Opp3

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of new products or services through R&D and innovation

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

At Zurn we believe we have a duty to develop resource-efficient products that conserve as much water as possible. Water conservation is a cornerstone of our business and Zurn offers products that can help buildings be more water efficient. Zurn's connected products, empowered by plumbSMART, are like having an odometer attached to your restroom and water system. It allows for remote monitoring and rapid response to issues, facilitating efficiency and safety. Water use and savings can be tracked over time on a grand scale, giving customers transparency for reporting and disclosure. Using sensors, Zurn Smart Products monitor performance and offer insights by gathering data, such as activation count and water usage. Zurn is proud to have more than 500 faucet, toilet, flush valve and urinal models stamped with the WaterSense label. Being WaterSense certified means products use at least 20% less water than regular models.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

334,750,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The financial impact figure is the current revenue from Zurn's line of water-saving products and the EPA certified WaterSense products represent a portion of this revenue.

Cost to realize opportunity

14,000,000

Strategy to realize opportunity and explanation of cost calculation

The cost to realize opportunities is a function of the company's total research, development and engineering (RDE) spend. As reported in the company's CY2021 Securities and Exchange Commission (SEC) Form 10-K, the company's total RDE spend in CY2021 was \$14M. The cost to realize this or any opportunity would only be a portion of that total spend.

Comment

With an estimated \$6-billion total addressable North American market, we are positioned to be the leading provider of smart water solutions that deliver value to facility owners and a leader in IoT-connected product solutions: touchless hygienic, backflow, drainage, interceptors.

Identifier

Opp4

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Shift in consumer preferences

Primary potential financial impact

Increased revenues through access to new and emerging markets

Company-specific description

Zurn offers a range of products that, individually, help slow the spread of germs on the product and create a cleaner user experience – including touchless faucets, sensor flush valves and hand dryers. We saw an opportunity to enhance those features by combining touchless products and digital solutions to create the ultimate hygienic ecosystem. This is especially important as workers return to office buildings and children to schools while the world continues to fight the ongoing COVID-19 pandemic. Zurn’s BrightShield, launched in 2021, is our integrated suite of hygienic products that help architects, building owners and facility managers create facilities that are hygienic, touchless, smart and clean. BrightShield’s integration of physical equipment and digital tools provides unprecedented insights that help building owners sense and quickly respond to maintenance and cleanliness issues—or even anticipate them before they become problems. Fixture and water-use data reveal levels of water usage per device to help identify savings opportunities and help calculate a population handwashing score that estimates the percentage of restroom users practicing recommended hygiene.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

BrightShield is an integration of existing connected products (touchless faucets, sensor flush valves and hand dryers) and digital tools from our connected product to create the ultimate hygienic ecosystem. The products were already developed and then integrated.

Cost to realize opportunity

14,000,000

Strategy to realize opportunity and explanation of cost calculation

The cost to realize opportunities is a function of the company's total research, development and engineering (RDE) spend. As reported in the company's CY2021 Securities and Exchange Commission (SEC) Form 10-K, the company's total RDE spend in CY2021 was \$14M. The cost to realize this or any opportunity would only be a portion of that total spend.

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?

Row 1

Transition plan

No, but our strategy has been influenced by climate-related risks and opportunities, and we are developing a transition plan within two years

Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future

Zurn is developing a transition plan and set a target published in our 2021 Sustainability report to establish and announce a science-based GHG emissions reduction target in 2023 (for Scope 1, 2 and 3 GHG emissions) that supports a decarbonization roadmap and aligns with long-term climate goals. Zurn does not have a transition plan at this time due to the significant structural changes that have occurred to the company in the past year. Specifically in October 2021 Zurn completed the spin-off of the Process & Motion Control business and changed our name from Rexnord Corporation to Zurn Water Solutions Corporation. Likewise, in July 2022, Zurn Water Solutions acquired Elkay Manufacturing, renaming the company Zurn Elkay Water Solutions. Now operating as a pure-play water management company grants us greater flexibility and focus in pursuing our mission and presents new opportunities to embed sustainable principles and practices into every aspect of our business, which includes ensuring our business model will continue to be relevant in a net-zero carbon economy. Zurn Elkay remains focused on the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	No, but we anticipate using qualitative and/or quantitative analysis in the next two years	Other, please specify Zurn has not used climate-related scenario analysis yet due to the significant structural changes that have occurred to the company in the past year. Climate-related scenario analysis is a priority and will be performed in the next two years.	

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Our strategy is to develop and provide effective, safe and efficient water management products, which is an essential component of sustainability. For more than a century, we've developed solutions that help manage this most-important natural resource – water. Zurn products contribute to sustainability and combat climate-related risks in a myriad of ways. We design products that reduce energy consumption, which helps to mitigate the impact of climate change. Our roof drains help address the increased risk of heavy rain and flooding; our pressure-reducing valves, automatic control valves and touchless fixtures help reduce water usage to offset water scarcity and the ever-increasing impact of droughts; and our energy-efficient hand dryers eliminate the need for paper towels, helping prevent deforestation and carbon emissions that contribute to climate change.
Supply chain and/or value chain	Yes	Providing sustainable products and solutions means committing to thoughtful, responsible sourcing of materials and to maintaining a sustainable, resilient supply chain. Our suppliers are integral to our business, and we expect them to adhere to the same high standards as our company does for environmental stewardship. We have developed our

		<p>Responsible Sourcing Philosophy and are incorporating it into our strategic planning and sourcing practices. We have established monitoring of supplier performance against the expectations outlined in our Supplier Code of Conduct. Zurn has prioritized efforts to continuously improve and enhance the sustainability of our global supply chain. We work with our suppliers on environmental issues such as climate change mitigation, supplier environmental management systems, and materials management, including adherence to rules governing conflict minerals.</p>
Investment in R&D	Yes	<p>At Zurn we continually invest in research and development (R&D) to create clean technology water solutions that help our customers meet their water challenges and goals, with a team of more than 50 engineers dedicated to driving innovation and sustainability initiatives. Since 2014, we have operated the Zurn Innovation Center in Cary, NC. The 17,000-square-foot center facilitates product development, testing, quality control and system innovation of our finish plumbing products, while also recycling test water. In 2019, we further invested in innovation by opening a 20,000-square foot engineering laboratory in Erie, PA. The laboratory allows us to conceive, design, prototype and test all drains faster than ever. In some cases, we've decreased development time from months to just weeks. Our strategy to focus on innovation and continuous improvement of our products has helped us deliver breakthroughs that address many of today's most pressing sustainability trends.</p>
Operations	Yes	<p>Zurn's Enterprise Risk Management (ERM) process includes the evaluation of climate-related physical risks that could result in the disruption of operations or destruction of property due to physical risks from changing frequencies and intensities of weather-related perils. Acute and chronic physical risks from increasing severe weather events and other natural disasters could affect our operations at any given location(s) and have a negative impact on our operations and assets. While the timing and location of these impacts are not predictable with any certainty, we anticipate increased frequency and severity of these events over time. These risks are assessed within our Business Continuity Planning process and from a strategic and risk management perspective.</p>

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Capital expenditures Capital allocation Acquisitions and divestments Assets	Climate-related risks that influence financial planning elements are factored into our acquisition and divestiture strategy. A specific example is the divestiture of the Process & Motion Control business and name change from Rexnord Corporation to Zurn Water Solutions Corporation. Now operating as a pure-play water management company grants us greater flexibility and focus in pursuing the organization's business strategy on our water management products. Specializing in water management also strengthens our position as a research-driven, innovative, sustainable and responsible global company. Our team is focused on designing products that save more water, keep water safe and clean, reduce the resources needed to manufacture and ultimately protect our environment, which includes ensuring our business model will continue to be relevant in a net-zero carbon economy.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Intensity target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Year target was set

2021

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Location-based

Scope 3 category(ies)

Intensity metric

Metric tons CO₂e per unit revenue

Base year

2021

Intensity figure in base year for Scope 1 (metric tons CO₂e per unit of activity)

0.00000536

Intensity figure in base year for Scope 2 (metric tons CO₂e per unit of activity)

0.00000582

Intensity figure in base year for Scope 3 (metric tons CO₂e per unit of activity)

Intensity figure in base year for all selected Scopes (metric tons CO₂e per unit of activity)

0.00001118

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

100

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

100

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2030

Targeted reduction from base year (%)

50

Intensity figure in target year for all selected Scopes (metric tons CO₂e per unit of activity) [auto-calculated]

0.00000559

% change anticipated in absolute Scope 1+2 emissions

8.13

% change anticipated in absolute Scope 3 emissions

Intensity figure in reporting year for Scope 1 (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 2 (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for Scope 3 (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for all selected Scopes (metric tons CO₂e per unit of activity)

% of target achieved relative to base year [auto-calculated]

Target status in reporting year

Underway

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

Please explain target coverage and identify any exclusions

Zurn's target ambition, which was published in our 2021 Sustainability report, is to establish and announce a science-based GHG emissions reduction target in 2023. The science-based target will include company-wide Scope 1, 2 and 3 GHG emissions. The science-based target to be announced next year will be developed using the Science Based Targets Initiative (SBTi) guidance, which helps define a clear pathway that specifies how much and how quickly we need to reduce our greenhouse gas emissions.

Plan for achieving target, and progress made to the end of the reporting year

To reach this goal, our GHG emissions reduction target has been incorporated into our strategic planning and tracking procedures including monthly check-ins and evaluations of emission reduction strategies to reduce our environmental impacts.

List the emissions reduction initiatives which contributed most to achieving this target

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2021

Target coverage

Company-wide

Target type: absolute or intensity

Intensity

Target type: category & Metric (target numerator if reporting an intensity target)

Energy consumption or efficiency

MWh

Target denominator (intensity targets only)

unit revenue

Base year

2021

Figure or percentage in base year

0.0000455

Target year

2024

Figure or percentage in target year

0.0000387

Figure or percentage in reporting year

0.0000455

% of target achieved relative to base year [auto-calculated]

0

Target status in reporting year

Underway

Is this target part of an emissions target?

Yes, this target is part of Zurn's GHG emissions intensity reduction target as Zurn's GHG emissions are driven by energy usage, which is largely a function of lighting, heating and cooling our facilities.

Is this target part of an overarching initiative?

Please explain target coverage and identify any exclusions

Reduce company-wide energy consumed per US dollar of operating revenue by 15% by 2024.

Plan for achieving target, and progress made to the end of the reporting year

Energy usage at Zurn is largely a function of lighting, heating and cooling our facilities. As such, Zurn's emission reduction initiatives include: (1) evaluation of energy usage for potential energy efficiency upgrades and reduction projects (i.e., installation of energy efficiency lighting); (2) evaluation of energy intensive equipment for potential replacement or electrification (i.e., HVAC system replacements); (3) evaluation of renewable energy purchase programs (i.e., purchase of renewable energy certificate (RECs) through local utilities). In addition, we look for opportunities to use clean, renewable energy in our operations. For example, our Paso Robles facility in California generated 877 MWh of electricity through a 550-kw rooftop solar photovoltaic system during calendar year 2021.

List the actions which contributed most to achieving this target

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	2	
To be implemented*		
Implementation commenced*		
Implemented*		
Not to be implemented		

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings
 Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period

<1 year

Estimated lifetime of the initiative

11-15 years

Comment

The initiative begins with performing a Facility Lighting Review, which is an internal lighting assessment to determine estimated hours that the lights are used (weekdays and weekends), number of light fixtures and lamps per fixture, percentage of LED lighting versus non-LED lighting, presence of occupancy sensors and/or motion control devices, etc. Based on the Facility Lighting Review conducted, we select site locations for lighting upgrades and energy efficient lighting installation. The initiative was under investigation in 2021 and not implemented yet. As such, we do not have the annual CO2e savings or expected cost and annual monetary savings.

Initiative category & Initiative type

Energy efficiency in buildings
 Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period

1-3 years

Estimated lifetime of the initiative

11-15 years

Comment

The initiative is to identify locations for HVAC system replacements based on site energy usage and inefficiencies. Zurn is in the scoping process to identify the cost of replacement equipment. The initiative was under investigation in 2021 and not implemented yet. As such, we do not have the annual CO2e savings or expected cost and annual monetary savings.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
--------	---------

Employee engagement	In order to get energy reduction projects financed, which in turn can lead to emissions reductions, our risk management department engages employees at plant sites. Projects are brainstormed, vetted, and implemented using budgets available at each facility.
Financial optimization calculations	Some of our manufacturing facilities are located in states which have incentive programs to help finance projects related to energy efficiency. In these states we actively work with the utility and pursue opportunities to make project financing more attractive to our internal decision makers.
Internal incentives/recognition programs	Zurn recently launched the Zurn Water Solutions associate-led Social Impact Fund. The Fund provides financial backing and resources for innovative associate ideas that help our company advance our ESG efforts. Our future depends on our ability to act responsibly with the relentless pursuit of sustainable progress, which is fueled by the innovative ideas of our associates. Through the ideas our associates bring forward, we can transform the communities where we live and work.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon

The EU Taxonomy for environmentally sustainable economic activities

Type of product(s) or service(s)

Other

Other, please specify

Energy-efficient Hand Dryers

Description of product(s) or service(s)

Zurn's Hand Dryers help customers avoid GHG emissions by replacing paper towels use.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Estimating and Reporting the Comparative Emissions Impacts of Products (WRI)

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Functional unit used

Hand dryers eliminate the need for paper towels and our touchless hand dryers replace more than 5 billion paper towels per year

Reference product/service or baseline scenario used

Avoided GHG emissions were based on the mass of paper towels avoided/saved - 6,880 U.S. short tons

Life cycle stage(s) covered for the reference product/service or baseline scenario

Estimated avoided emissions (metric tons CO₂e per functional unit) compared to reference product/service or baseline scenario

73,935

Explain your calculation of avoided emissions, including any assumptions

In 2021, our energy-efficient hand dryers eliminate the need for paper towels, helping prevent deforestation that contributes to climate change. We estimate that our touchless hand dryers replace more than 5 billion paper towels per year and save more than 200,000 trees per year. Avoided GHG emissions were based on the mass of paper towels saved and results in 163 million pounds of CO₂e avoided. Estimated avoided emissions and GHG positive impacts were calculated using the Environmental Paper Network's Paper Calculator, which was as created and originally launched in 2005 by the Environmental Defense Fund (EDF).

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

1.5

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

Yes, a divestment

Name of organization(s) acquired, divested from, or merged with

Divested the Rexnord Process & Motion Control (PMC) business and changed our name from Rexnord Corporation to Zurn Water Solutions Corporation. As such, we are submitting the 2022 CDP Climate Change Questionnaire as Zurn Water Solutions Corporation for the first time.

Details of structural change(s), including completion dates

Divested the PMC business platform on October 4, 2021

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

Change(s) in methodology, boundary, and/or reporting year definition?	
Row 1	No

C5.1c

(C5.1c) Have your organization's base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?

	Base year recalculation	Base year emissions recalculation policy, including significance threshold
Row 1	Yes	Base year emissions were recalculated due to PMC divestment where the change threshold is 10 percent of the base year emissions.

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO₂e)

4,886

Comment

Scope 2 (location-based)

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO₂e)

5,297

Comment

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

Scope 3 category 1: Purchased goods and services

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO₂e)

2,404

Comment

Scope 3 category 2: Capital goods

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

Comment

Category not relevant

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

Comment

Category not relevant

Scope 3 category 4: Upstream transportation and distribution

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

16,442

Comment

Scope 3 category 5: Waste generated in operations

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

1,269

Comment

Scope 3 category 6: Business travel

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO₂e)

387

Comment

Scope 3 category 7: Employee commuting

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO₂e)

2,525

Comment

Scope 3 category 8: Upstream leased assets

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO₂e)

Comment

Category not relevant

Scope 3 category 9: Downstream transportation and distribution

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO₂e)

14,008

Comment

Scope 3 category 10: Processing of sold products

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO₂e)

Comment

Category not relevant

Scope 3 category 11: Use of sold products

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO₂e)

Comment

Category not relevant

Scope 3 category 12: End of life treatment of sold products

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO₂e)

Comment

Category not relevant

Scope 3 category 13: Downstream leased assets

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

Comment

Category not relevant

Scope 3 category 14: Franchises

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

Comment

Category not relevant

Scope 3 category 15: Investments

Base year start

January 1, 2021

Base year end

December 31, 2021

Base year emissions (metric tons CO2e)

Comment

Category not relevant

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Climate Registry: General Reporting Protocol

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

The Greenhouse Gas Protocol: Scope 2 Guidance

US EPA Mandatory Greenhouse Gas Reporting Rule

Other, please specify

US EPA Center for Corporate Climate Leadership: Scope 3 Category 6: Business Travel

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO₂e?

Reporting year

Gross global Scope 1 emissions (metric tons CO₂e)

4,886

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO₂e?

Reporting year

Scope 2, location-based

5,297

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

2,404

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Emissions from purchased goods and materials were estimated by collecting data on the mass (e.g., kilograms or pounds) of materials purchased, as available, and multiplying by the relevant secondary (e.g., industry average) emission factors (e.g., average emissions per unit of material).

Capital goods

Evaluation status

Not relevant, explanation provided

Please explain

Zurn's water management products and business model consists of primarily assembly of sub-components and intermediate parts into finished products, which does not require significant investment in capital goods. Therefore we do not rely upon capital equipment in any significant way.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Not relevant, explanation provided

Please explain

It is expected that emissions related to the production of fuels and energy purchased and consumed by Zurn that are not included in scope 1 or scope 2 and not relevant fuel to our relatively low energy usage.

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

16,442

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Emissions were calculated using the distance-based method, which involves determining the mass, distance, and mode of each shipment, then applying the appropriate mass-distance emission factor for the vehicle or mode of transportation used.

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

1,269

Emissions calculation methodology

Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Emissions were calculated using the waste-type-specific method, which involves using emission factors for specific waste types and waste treatment methods based on the amount of waste disposed.

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

387

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Emissions were calculated using the distance-based method, which involves determining the distance and mode of business trips, then applying the appropriate emission factor for the mode of travel used, such as air travel, truck, and car.

Employee commuting

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

2,525

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Emissions were calculated using the average-data method, which involves estimating emissions from employee commuting based on average (e.g., national) data on commuting patterns.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Not relevant for Zurn's business operations or business model as we do not own or operate upstream leased assets.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

14,008

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Emissions were calculated using the distance-based method, which involves determining the mass, distance, and mode of each shipment, then applying the appropriate mass-distance emission factor for the vehicle or mode of transportation used.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Scope 3 GHG emissions from processing of sold products are not relevant to Zurn. Zurn's products are delivered complete and operational and do not require significant additional processing by the customer. Products sold include building and site water management solutions that enhance water quality, safety, flow control and conservation. These products do not require processing.

Use of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Scope 3 GHG emissions from use of sold products are not relevant. Our sold products consist of engineered water management products that do not require power and do not produce GHG emissions from use.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Please explain

The end of life treatment of sold products is very minor in comparison to other Scope 3 categories and is further diminished by the long life-cycle of our products.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Not relevant for Zurn as we do not own or operate downstream leased assets.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

Not relevant for Zurn as we do not own or operate franchises.

Investments

Evaluation status

Not relevant, explanation provided

Please explain

Not relevant for Zurn's business operations or business model.

Other (upstream)

Evaluation status

Please explain

Other (downstream)

Evaluation status

Please explain

C-CG6.6

(C-CG6.6) Does your organization assess the life cycle emissions of any of its products or services?

	Assessment of life cycle emissions	Comment
Row 1	No, but we plan to start doing so within the next two years	Zurn has plans to perform LCAs for some of our products in the next year. Additionally, we quantify emissions savings from some of our products and these products are analyzed for Carbon Net Positivity. Examples of these products are the World Dryer Hand dryers. Furthermore, we plan to expand lifecycle analysis to more of our products to determine sustainable attributes, drive innovation, and growth of our business through a target to reach 75% of revenues derived from products with sustainable attributes by 2024.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO₂e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.00001118

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO₂e)

10,183

Metric denominator

unit total revenue

Metric denominator: Unit total

910,900,000

Scope 2 figure used

Location-based

% change from previous year

70.7

Direction of change

Decreased

Reason for change

Large decrease in GHG intensity (70.7%) due to structural change and divestment of the Rexnord Process & Motion Control (PMC) business.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	4,881	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	0.092	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	0.01	IPCC Fifth Assessment Report (AR5 – 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Canada	2,063
United States of America	2,823

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

- By business division
- By facility
- By activity

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Zurn WM	4,761
Corporate	125

C7.3b

(C7.3b) Break down your total gross global Scope 1 emissions by business facility.

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
USA - AZ - 3602 W Washington St, Phoenix	333	33.448482	-112.137158
USA - CA - 1747 Commerce Way, Paso Robles	95	35.60996	-120.652974
USA - GA - 6280 Best Friend Rd, Norcross	22	33.920226	-84.219481
USA - IL - 340 County Line Rd, Bensenville	141	41.947842	-87.921755
USA - IL - 9233 King St, Franklin Park	381	41.939707	-87.857124
USA - NC - 5900 Elwin Buchanan Dr, Sanford	81	35.554526	-79.18254
USA - OH - 7420 Clover Ave, Mentor	56	41.663014	-81.376169
USA - PA - 1301 Raspberry St, Erie	1,365	42.114556	-80.1029
USA - PA - 1801 Pittsburgh Ave, Erie	102	42.100899	-80.123667
USA - TX - 116 Maple St, Commerce	27	33.233292	-95.878751
USA - TX - 2055 Luna Rd, Carrollton	95	32.934527	-96.9241
USA - WI - 511 W Freshwater Way, Milwaukee	125	43.028452	-87.917162
CAN - AB - 2550 61st Ave SE, Calgary	1,123	50.999605	-113.999618
CAN - ON - 7900 Goreway Dr, Brampton	19	43.729516	-79.656701
CAN - ON - 880 Rangeview Rd, Mississauga	421	43.5719	-79.55973

CAN - ON - 965 Syscon Rd, Burlington	500	43.392999	-79.75561
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C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Corporate Office	125
Manufacturing	4,400
Warehouse	361

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Canada	881	0
United States of America	4,416	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

- By business division
- By facility
- By activity

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Zurn WM	5,062	0
Corporate	235	0

C7.6b

(C7.6b) Break down your total gross global Scope 2 emissions by business facility.

Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
USA - AZ - 3602 W Washington St, Phoenix	197	

USA - CA - 14650 Miller Ave, Fontana	103	
USA - CA - 1747 Commerce Way, Paso Robles	190	
USA - GA - 6280 Best Friend Rd, Norcross	289	
USA - IL - 340 County Line Rd, Bensenville	217	
USA - IL - 9233 King St, Franklin Park	705	
USA - NC - 3700 Regency Parkway, Cary	182	
USA - NC - 5900 Elwin Buchanan Dr, Sanford	217	
USA - OH - 7420 Clover Ave, Mentor	181	
USA - PA - 1301 Raspberry St, Erie	440	
USA - PA - 1801 Pittsburgh Ave, Erie	256	
USA - TX - 116 Maple St, Commerce	838	
USA - TX - 2055 Luna Rd, Carrollton	138	
USA - TX - 4894 Interstate Hwy 30, Caddo Mills	228	
USA - WI - 511 W Freshwater Way, Milwaukee	235	
CAN - AB - 2550 61st Ave SE, Calgary	818	
CAN - ON - 7900 Goreway Dr, Brampton	7	
CAN - ON - 880 Rangview Rd, Mississauga	27	
CAN - ON - 965 Syscon Rd, Burlington	29	

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Corporate Office	235	
Manufacturing	2,879	
Warehouse	2,183	

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption				
Other emissions reduction activities				
Divestment	69,506	Decreased	87.2	Large decrease in GHG emissions (87.2%) due to structural change and divestment of the Rexnord Process & Motion Control (PMC) business.
Acquisitions				
Mergers				
Change in output				
Change in methodology				
Change in boundary				

Change in physical operating conditions				
Unidentified				
Other				

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C-CG7.10

(C-CG7.10) How do your total Scope 3 emissions for the reporting year compare to those of the previous reporting year?

This is our first year of reporting

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No

Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	Unable to confirm heating value	0	27,012	27,012
Consumption of purchased or acquired electricity		0	13,597	13,597
Consumption of self-generated non-fuel renewable energy		839		839
Total energy consumption		839	40,609	41,448

C8.2b

(C8.2b) Select the applications of your organization’s consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

Total fuel MWh consumed by the organization

0

Comment

Other biomass

Heating value

Total fuel MWh consumed by the organization

0

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value

Total fuel MWh consumed by the organization

0

Comment

Coal

Heating value

Total fuel MWh consumed by the organization

0

Comment

Oil

Heating value

Total fuel MWh consumed by the organization

0

Comment

Gas

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

27,012

Comment

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

Total fuel MWh consumed by the organization

0

Comment

Total fuel

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

27,012

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)

Electricity	839		839	839
Heat				
Steam				
Cooling				

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area

Canada

Consumption of electricity (MWh)

3,443

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

3,443

Country/area

United States of America

Consumption of electricity (MWh)

10,993

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

10,993

C-CG8.5

(C-CG8.5) Does your organization measure the efficiency of any of its products or services?

	Measurement of product/service efficiency	Comment
Row 1	Yes	Measure water savings efficiency and energy efficiency.

C-CG8.5a

(C-CG8.5a) Provide details of the metrics used to measure the efficiency of your organization's products or services.

Category of product or service

Other, please specify
Engineered Water Systems

Product or service (optional)

Zurn ZW pressure reducing products including Direct Acting Pressure Reducing Valves and Pressure Reducing Automatic Control Valves.

% of revenue from this product or service in the reporting year

34.2

Efficiency figure in the reporting year

33

Metric numerator

Other, please specify
Billion Gallons (of water)

Metric denominator

Other, please specify
year

Comment

Zurn products help maintain safe and efficient operations of buildings, plumbing, drinking water, sanitation, drainage and fire suppression systems. Zurn products that help our customers achieve greater water efficiency and our backflow preventers reduce the risks to drinking water quality from backflow contamination. In 2021, Zurn ZW pressure reducing products and backflow preventers saved 34 Billion gallons of water/year, which is about as much as Wisconsin uses in two months.

Category of product or service

Other, please specify
Water Management Plumbing Components

Product or service (optional)

Finish Plumbing Low Flow Faucets, Low Flow Urinals, and Low Flow Toilets (Sensor & Manual models)

% of revenue from this product or service in the reporting year

14.2

Efficiency figure in the reporting year

14.3

Metric numerator

Other, please specify
Million Gallons (of Water)

Metric denominator

Other, please specify
year

Comment

Low flow urinals result in 88% water savings vs traditional urinals; low flow toilets result in 20% water savings vs traditional toilets; and low flow manual faucets result in 50% water savings vs traditional manual faucets.

Category of product or service

Other, please specify
Water Management Plumbing Components

Product or service (optional)

Zurn PEX tube, piping systems and plastic fittings - water control, safety and conservation products

% of revenue from this product or service in the reporting year

13.7

Efficiency figure in the reporting year

157.9

Metric numerator

Other, please specify
Million Gallons (of Water)

Metric denominator

Other, please specify
year

Comment

PEX piping systems conserve water by reducing the amount of time it takes for hot water to arrive at a fixture, which reduces wasted water. Our PEX piping contains less water in any given length, but with no sacrifice in flow characteristics or water delivery capability. Since PEX tube contains less water, there is a lesser amount of water to purge from a hot water line when a tap (faucet) is opened. By minimizing the amount of water that has to be purged while waiting for hot water to arrive, a considerable savings in water and energy can be realized. Also, since PEX tube can be "bent" around corners rather than utilizing 90-degree elbows, there is savings in the length of PEX tube

needed to provide water to fixtures, and this shorter length also minimizes water and energy waste.

Category of product or service

Other, please specify
Water Management Plumbing Components

Product or service (optional)

Zurn PEX tube, piping systems and plastic fittings - energy saving products

% of revenue from this product or service in the reporting year

13.7

Efficiency figure in the reporting year

10,350

Metric numerator

megawatt hour (MWh)

Metric denominator

Other, please specify
year

Comment

PEX decreases the amount of energy used by the water heater, because hot water arrives at fixtures faster. Additionally, water loses more heat while traveling through copper pipes, resulting in more energy use when compared to plastic piping. According to a National Association of Home Builders (NAHB) Research Center study, when used with a centrally located demand heater, this type of system can offer 17 percent to 35 percent annual hot water energy savings.

Category of product or service

Other, please specify
Water Management Plumbing Fixtures

Product or service (optional)

Waterless, or no-flush urinals

% of revenue from this product or service in the reporting year

0.02

Efficiency figure in the reporting year

27.5

Metric numerator

Other, please specify

Million Gallons (of Water)

Metric denominator

Other, please specify
year

Comment

Use of the waterless urinals result in a 100% water savings versus standard urinals.

Category of product or service

Other, please specify
Engineered Water Systems

Product or service (optional)

Zurn's EPA WaterSense Certified Products

% of revenue from this product or service in the reporting year

Efficiency figure in the reporting year

20

Metric numerator

%

Metric denominator

Not applicable

Comment

We offer more than 500 engineered water management products that carry EPA's WaterSense certification, which means they use at least 20 percent less water than regular products.

Category of product or service

Other, please specify
Commercial Hand Dryers

Product or service (optional)

Energy efficient, fast drying, high performance, hygienic commercial hand dryers.

% of revenue from this product or service in the reporting year

1.3

Efficiency figure in the reporting year

15,800

Metric numerator

megawatt hour (MWh)

Metric denominator

Other, please specify
year

Comment

Our energy-efficient hand dryers eliminate the need for paper towels, helping prevent deforestation that contributes to climate change. We estimate that our touchless hand dryers replace more than 5 billion paper towels per year and save more than 200,000 trees per year. VERDEdri is our most energy efficient touchless operating hand dryer, with its integrated High Efficiency Particulate Air (HEPA) filter, one unit can save 100+ trees during its lifetime.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Other, please specify
Percent Revenue from Sustainable Products

Metric value

70

Metric numerator

%

Metric denominator (intensity metric only)

No denominator; this is not an intensity metric

% change from previous year

Direction of change

Please explain

Zurn tracks revenue from products that support climate change mitigation (i.e., energy efficient products and products that reduce greenhouse gas [GHG] emissions) and products that support climate change adaptation (i.e., technological products for managing water usage) and meet the environmental objectives listed in the EU Taxonomy.

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	Zurn invests in R&D for World Dryer products, which are low-carbon

C-CG9.6a

(C-CG9.6a) Provide details of your organization’s investments in low-carbon R&D for capital goods products and services over the last three years.

Technology area

Other energy efficient products or efficiency drivers

Stage of development in the reporting year

Large scale commercial deployment

Average % of total R&D investment over the last 3 years

≤20%

R&D investment figure in the reporting year (optional)

Comment

Zurn Water Solutions continually invests in research and development to create clean technology solutions that help our customers meet their water challenges and goals. Our energy-efficient hand dryers eliminate the need for paper towels, helping prevent deforestation that contributes to climate change. We estimate that our touchless hand dryers replace more than 5 billion paper towels per year and save more than 200,000 trees per year. VERDEdri is our most energy efficient touchless operating hand dryer, with its integrated High Efficiency Particulate Air (HEPA) filter, one unit can save 100+ trees during its lifetime.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No third-party verification or assurance

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, we do not verify any other climate-related information reported in our CDP disclosure

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Other, please specify

Environmental Impact survey and supplier self-assessments

% of suppliers by number

% total procurement spend (direct and indirect)

80

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

We have expanded our Supplier Quality and Development Program to include an assessment of key environmental and social performance indicators. We have introduced the use of supplier surveys and contractual reviews designed to identify negative environmental or social impacts, both actual and potential, and we are engaging with suppliers on sustainability initiatives. We surveyed our top suppliers in 2021, representing 80 percent of our global supplier spend.

Impact of engagement, including measures of success

Our Supplier Code of Conduct spells out Zurn Water Solutions' policies and expectations for suppliers. It must be signed annually by our top suppliers and complied with as part of all long-term supplier contracts.

Comment

Zurn Water Solutions is investing in our information technology systems and auditing capabilities to further monitor supply chain compliance and drive sustainable sourcing.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

Yes, climate-related requirements are included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement

Complying with regulatory requirements

Description of this climate related requirement

Zurn sets the expectation that our top suppliers and long-term contracts sign off annually on our Supplier Code of Conduct and adhere to its principles. Zurn monitors adherence to the supplier Code of Conduct across the following, but not limited to, climate-related principles:

- Environmental Protection: Supplier shall comply with the environmental regulations in the jurisdictions in which it does business and should seek ways to conserve natural resources and energy, reduce waste and the use of hazardous substances, and minimize adverse impacts on the environment.
- Management System and Communication: Supplier should maintain a system reasonably designed to ensure compliance with this Code. Supplier shall ensure that this Code is communicated to its officers, directors, employees, representatives and agents, as appropriate, and flowed down to its subcontractors and suppliers.
- Monitoring and Compliance: Supplier shall maintain all documentation necessary to demonstrate its compliance with this Code and shall, upon request, provide Zurn reasonable access to such documentation and its facilities to allow Zurn to confirm Supplier's compliance with this Code. However, Supplier understands that Zurn is not assuming monitoring responsibilities and that Supplier is fully responsible for compliance.

% suppliers by procurement spend that have to comply with this climate-related requirement

% suppliers by procurement spend in compliance with this climate-related requirement

80

Mechanisms for monitoring compliance with this climate-related requirement

- Supplier self-assessment
- Grievance mechanism/Whistleblowing hotline
- Supplier scorecard or rating

Response to supplier non-compliance with this climate-related requirement

Retain and engage

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate

No

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In voluntary sustainability report

Status

Complete

Attach the document

 Zurn Water Solutions Sustainability Report_2021_FINAL2.pdf

Page/Section reference

See page 70 for GHG and energy data.

Content elements

Strategy

Risks & opportunities

Emissions figures
Emission targets
Other metrics

Comment

Zurn Water Solutions' 2021 Sustainability report includes an ESG Content Index with performance metrics from GRI and SASB sectors that apply to our business operations. We have added a table cross-referencing ESG topics covered within our Report and other Zurn Water Solutions published documents to the corresponding SASB Sustainable Industry Classification System code and GRI disclosure code. The ESG Content Index also references activities with which our business contributes to the UN Sustainable Development Goals (SDGs).

Publication

In voluntary communications

Status

Complete

Attach the document

 UN GC CoP Final 5-26-2022_R483797.0000-001.pdf

Page/Section reference

Pgs. 5, 13 and 21 of UN Global Compact Annual Communication on Progress (CoP) PDF

Content elements

Emissions figures
Emission targets
Other metrics

Comment

In December 2021, we joined the UN Global Compact, a voluntary leadership platform for the development, implementation and disclosure of responsible business practices on human rights, labor, anti-corruption and the environment.

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

Board-level oversight and/or executive management-level responsibility for biodiversity-related issues

Row 1	No, but we plan to have both within the next two years
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C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	
Row 1	No, but we plan to do so within the next 2 years

C15.3

(C15.3) Does your organization assess the impact of its value chain on biodiversity?

Does your organization assess the impact of its value chain on biodiversity?	
Row 1	No, but we plan to assess biodiversity-related impacts within the next two years

C15.4

(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	
Row 1	No, we are not taking any actions to progress our biodiversity-related commitments, but we plan to within the next two years

C15.5

(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No	

C15.6

(C15.6) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
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No publications		
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C16. Signoff

C-FI

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

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Director - EHS	Environment/Sustainability manager

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

Zurn has chosen to allocate emissions to customers based on a revenue ratio.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	910,900,000

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Requesting member

Ferguson plc

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

Emissions in metric tonnes of CO₂e

1,124

Uncertainty (±%)

Major sources of emissions

Verified

No

Allocation method

Other, please specify

Allocation based on sales revenue.

Market value or quantity of goods/services supplied to the requesting member

209,500,000

Unit for market value or quantity of goods/services supplied

Currency

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Requesting customer accounts for 23% of consolidated net sales.

Requesting member

Ferguson plc

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

Emissions in metric tonnes of CO₂e

1,218

Uncertainty (±%)

Major sources of emissions

Verified

No

Allocation method

Other, please specify
 Allocation based on sales revenue.

Market value or quantity of goods/services supplied to the requesting member

209,500,000

Unit for market value or quantity of goods/services supplied

Currency

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Requesting customer accounts for 23% of consolidated net sales.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Diversity of product lines makes accurately accounting for each product/product line cost ineffective	Resources and measuring tools are not present to completely track this data.

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

No

SC1.4b

(SC1.4b) Explain why you do not plan to develop capabilities to allocate emissions to your customers.

Lack of resources.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

No, I am not providing data

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

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

Please confirm below

I have read and accept the applicable Terms