



Culligan®

Transforming
water to create a
world of impact

Culligan ESG Report 2022

Our founder, Emmett J. Culligan, believed in the majesty of water. So do we.

Water sustains and flows. It transports what it's given and is the universal solvent. Water works hard and makes our world work. It makes us work. Water is the first beverage, the last beverage, the universal beverage. Water quenches us and hydrates our Earth.

We share with our founder his passion for transforming water. We use our expertise in sustainability, science and service, forged over our nearly 90-year history, to empower people in accessing clean, soft, great-tasting water and to do it in ways that protect our planet and our future.

Culligan.

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This report may include certain forward-looking statements, estimates and/or projections. These "forward-looking statements" can be identified by the use of terms such as "may," "intend," "might," "will," "should," "could," "would," "expect," "believe," "estimate," "anticipate," "predict," "project," "plan," "target," "contemplate," "potential" and similar expressions, or the negative of these terms. You can also identify forward-looking statements by discussions of strategy, plans or intentions. All statements other than statements of historical fact that are made by representatives of the company (including, but without limitation, statements regarding the company's future financial position, business strategy, budgets, projected costs and plans or objectives of management) are forward-looking statements and are based on current management. Any such statements, estimates and projections contained herein may be forward-looking in nature and involve significant elements of subjective judgment and analysis, which may or may not be correct. Any such statements, estimates and projections reflect various estimates and assumptions by the company and/or its representatives concerning anticipated results. No representations or warranties are made by the company as to the accuracy of any such statements, estimates or projections. Whether or not any such statements, estimates or projections are in fact achieved will depend upon future events, some of which are not within the control of the company. Accordingly, actual results may vary from the projected results and such variations may be material. Forecasts and estimates regarding the company's industry and end markets are based on third-party sources, and there can be no assurance these forecasts and estimates will prove accurate in whole or in part. This presentation should not be regarded as a representation by the company that the projected results will be achieved. In addition, such forward-looking statements, estimates and projections were not prepared with a view to public disclosure or compliance with published guidelines of the U.S. Securities and Exchange Commission, the guidelines established by the American Institute of Certified Public Accountants or U.S. Generally Accepted Accounting Principles.

About this report

This is Culligan's first publicly available annual Environmental, Social and Governance (ESG) Report. Published on August 21, 2023, it covers the calendar year from January 1 to December 31, 2022, unless stated otherwise. As it is our inaugural ESG Report, it contains no restatements of information.

We welcome this opportunity to outline our purpose and values, our approach and strategy, and our ESG performance, as well as the risks, opportunities and challenges we've faced. We are now committed to publicly reporting on ESG-related topics on an annual basis.

The information in this report encompasses all our business units. We have included Waterlogic, following the combination in Q4 2022, in our

material disclosures because of the large impact it has on our baseline footprint. We have reported the information included in the [Global Reporting Initiative \(GRI\) ↗](#) Index for the period January 1 to December 31, 2022, with reference to the GRI Standards.

We have also used reporting guidance from the [International Financial Reporting Standards \(IFRS\) ↗](#), [Sustainability Accounting Standards Board \(SASB\) ↗](#) and the [Taskforce on Climate-related Financial Disclosures \(TCFD\) ↗](#) to further inform our reporting, where relevant. Please refer to our SASB Standards Index and TCFD Index.

If you have questions or would like more information about this report, our performance or our approach, contact us at: ESG@Culligan.com ↗.

A letter from our CEO

Our gorgeous planet and the people who live on it deserve our best – our best intention, our best attention, our best care and our best innovation.

At Culligan, we consider ourselves stewards of the Earth and friends to humanity. If that sounds lofty, it is. We've purposefully aimed high. As a company that's been around for 87 years and that has ambitions for at least 87 more, we recognize both the immediacy of today's issues and the looming long-term threats. As we speak, 2 billion people don't have access to safe drinking water,¹ and at current growth rates, plastic waste in our oceans will outweigh fish by 2050.² Water companies, especially one like Culligan, must aspire to do right by both the planet and its people in our daily operations and as we make plans for the future.

In 2022, as we accelerated our consumer strategy, expanded our global reach and impact, and invested in innovation, we conducted an intensive materiality assessment. As CEO, I'm heartened by the deepfelt conviction of our Culligan employees and stakeholders about our social and environmental impact. You'll read about some of them in this report, such as our

team at Aqua Alpina in Austria who are converting their fleet to electric vehicles that charge on-site from their own bank of solar panels.

In late 2022, we completed our combination with Waterlogic, a UK-based drinking water systems and solutions company, bringing our worldwide team to more than 12,700 employees. As one Culligan, we now serve over 140 million consumers across more than 90 countries.

For these reasons and many more, we redoubled our efforts to refine and further formalize our ESG strategy. We set five commitments, each of which align with the United Nations Sustainable Development Goals and are informed by our long-standing company values. In this report, we spotlight both who we are – a strong, vibrant and purpose-driven company – and how we operate. You'll read about the real growth in our technology and solutions, such as the HarveyArc, a WiFi-enabled water softener that monitors its salt levels; about our expansion into new markets to provide water that is clean and sustainable to millions of people; and about initiatives such as our life cycle assessment tool that gives consumers the ability to calculate the lifetime benefit of our products compared to single-use plastic bottles. You'll also learn about our strides in fostering more women and ethnic and racial diversity in leadership and about the lives and communities we touch every day.

Our Culligan purpose – to transform water to impact lives and protect the planet for all – is reflected in our ESG strategy and in all we do. ESG activity is central to who we are and what we do, and it is key to our growth and essential to our long-term value creation. This year and every year to come, we will assess how we are doing against our bold aspiration. Measuring our impact and accelerating our progress, Culligan is backing up its commitments with action and results.



Scott Clawson
Chairman and CEO



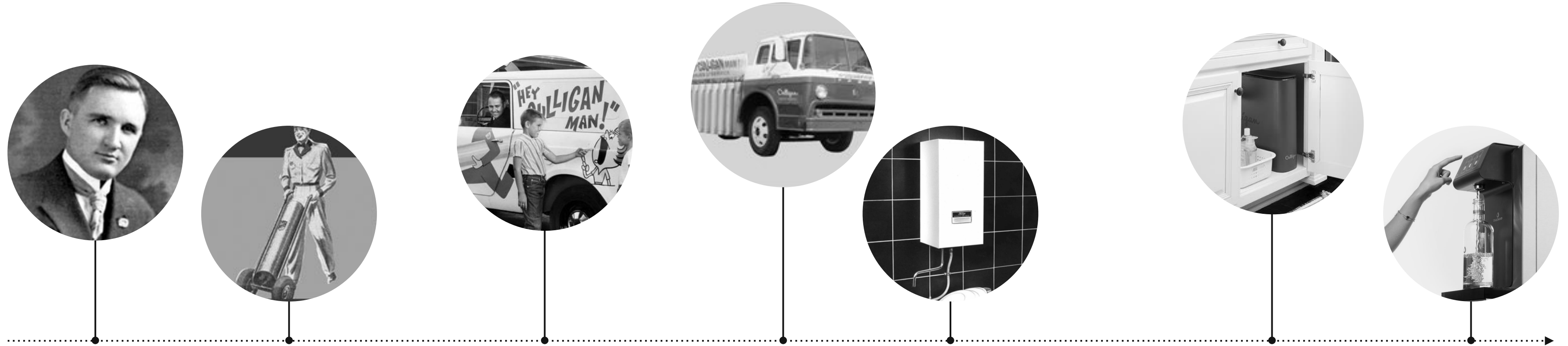
Scott Clawson, Chairman and CEO

About us

Founded in 1936, Culligan has grown from a local business to become the global leader in clean water solutions and services. We have the scale and reach of one of the world's most recognized and trusted names in water.

We care about people and their water, transforming it for drinking, washing and other household and commercial uses through our delivery, filtration and softening systems. With a legacy of innovation, service and quality that dates back nearly 90 years, our iconic brands – including Culligan, Waterlogic, Zip Water and Quench – share one mission: to give people instant access to clean, safe, better-tasting water without single-use plastic through our unparalleled expertise in sustainability, science and service.

For more information, visit www.corporate.culligan.com



How it all began
 Our founder, Emmett Culligan, discovered water softening by chance in a hospital boiler room. While his wife Anna was giving birth, he talked with the maintenance superintendent about zeolite, a mineral the hospital used to soften its water. Immediately fascinated, he began selling water softeners door-to-door before eventually establishing the Culligan Zeolite Company in 1936.

Emmett's service-centered approach, focus on trust-based relationships and ambition to do what is right has guided us ever since.

1930s–1960s

- 1936:** Emmett founds the company and designs Culligan's first home-owned softener, the Faucet Water Softener.
- 1942:** Culligan changes operations for wartime efforts in WWII, and receives the Army-Navy "E" award; distinction of "highest standards of quality and equally high standards of production efficiency."
- 1958:** The "Hey, Culligan Man!" catchphrase is conceived and the first radio commercials hit the air.

1970s–1990s

- 1975:** Zip launches the world's first instant boiling water dispenser.
- 1987:** Culligan Italy introduces the first two-stage reverse osmosis (RO) system into hospitals for dialysis.
- 1990:** Culligan pioneers triple filtration to reduce contaminants in drinking water.
- 1990:** Waterlogic introduces its first dispenser using ultraviolet (UV) purification technology.

2000s–2020s

- 2015:** Blupura introduces BLUSODA, which uses R290, a natural refrigerant that has zero impact on global warming.
- 2020:** Harvey introduces the HarveyArc, a water softener that uses 38% less plastic than previous models and 62% recycled plastic.
- 2021:** Culligan brings new WiFi and Bluetooth capabilities to our smart products.
- 2021:** Investment funds affiliated with BDT & MSD Partners acquires Culligan.
- 2022:** Culligan and Waterlogic combine to bring clean, soft and sustainable water to more than 140 million consumers globally.

The Culligan way

Our purpose

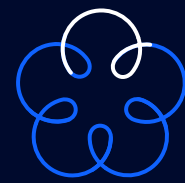
We transform water to impact lives and protect the planet for all.

Our mission

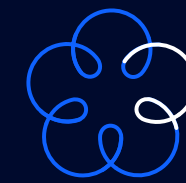
Give people instant access to clean, safe, better-tasting water through our unparalleled expertise in sustainability, science and service.

Our values

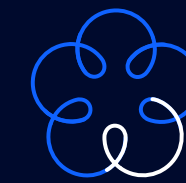
“The 5Cs”



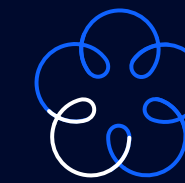
Consumer comes first



Commitment to innovation



Culligan as one



Courage to do what is right



Consistently deliver exceptional results



The 5Cs are the cornerstone of our culture. While markets may change and strategies evolve, our values remain a constant framework, guiding how we work together to achieve our purpose.”



Laurence Bower
Chief Operating Officer

The current state of water

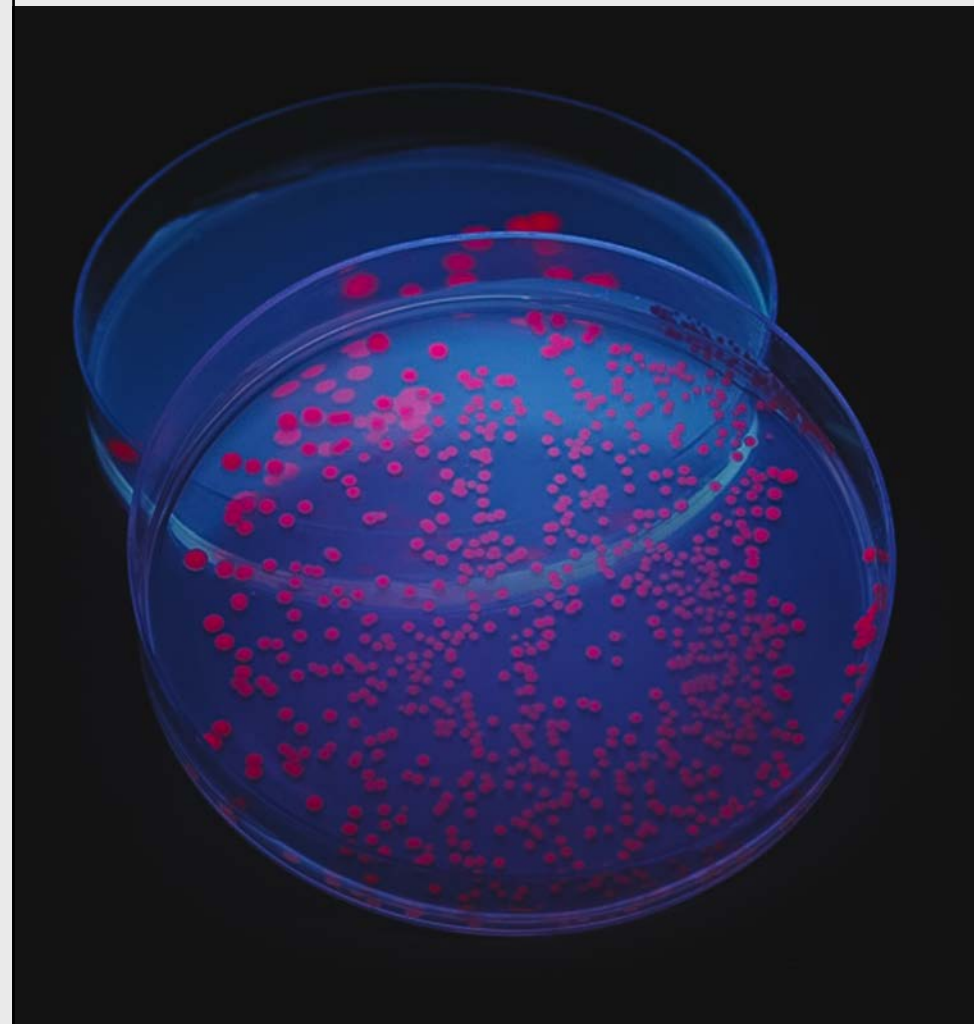
One in four people don't have access to clean drinking water.¹

1/4



Healthcare costs for waterborne diseases exceeded \$3 billion (U.S.)²

\$3B



An estimated 10 million tons of plastic enter our oceans every year.³

10M



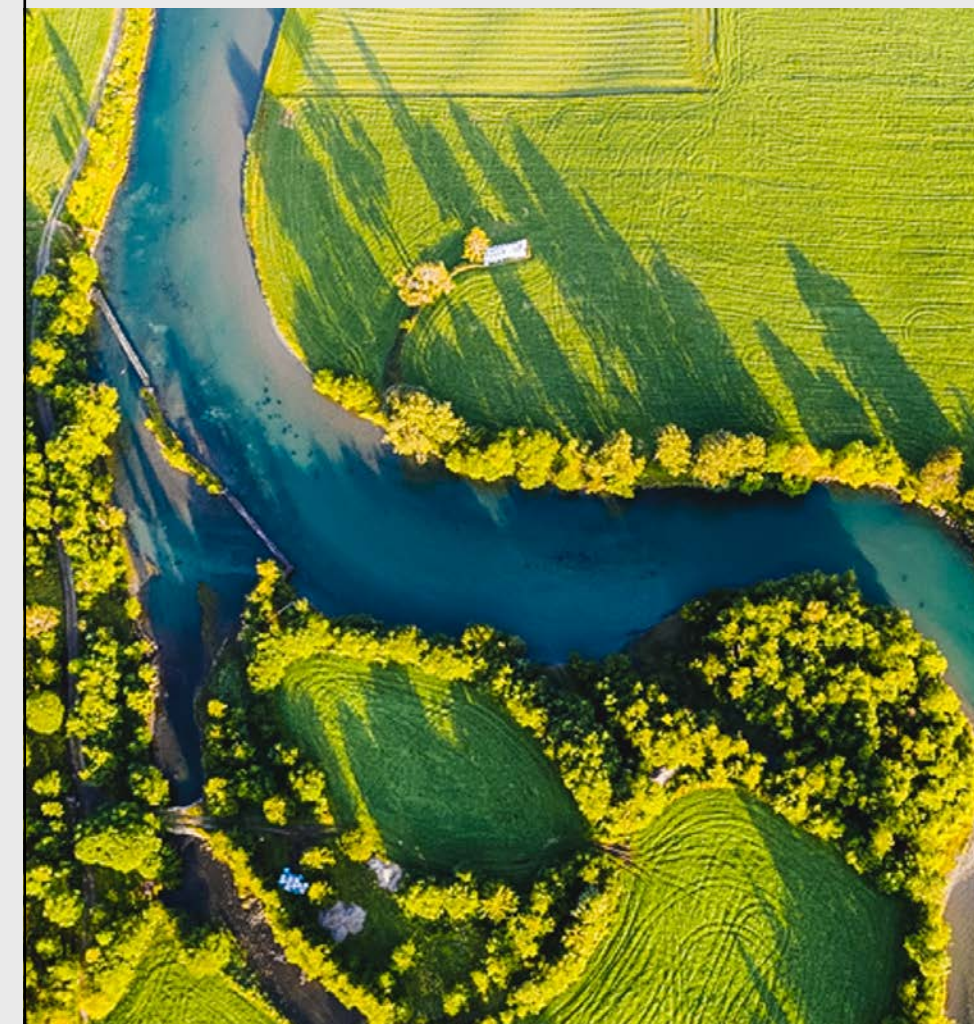
43% of U.S. schools tested in 2016–2018 showed elevated lead in drinking water systems.⁴

43%



“Forever chemicals” and PFAS are found in 77% of all European rivers.⁵

77%



Our solutions and services are making a real meaningful difference


There are major threats to universally safe water. Whether consumers are using our products at home, work or on-the-go, people are using Culligan solutions and services to make a real, positive difference.

The trusted Culligan brand empowers consumers to make better, healthier choices around water and hydration. The numbers surrounding our reach and impact are a testament to our impact at scale.

>13M

Active installed bases

>8M homes
>5M out-of-home



~40B

Reduction in single-use plastic bottles annually

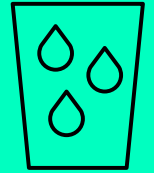
We help avoid enough plastic water bottles to circle the Earth 200 times



>28B

Liters of water filtered annually

Equal to >110 billion glasses of water



>140M

Consumers served annually

Equal to the population of England and Italy combined



>500M kg

Plastic avoided annually

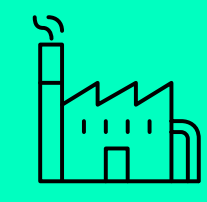
Equal to the weight of >280,000 cars



~5B kg

CO2 emissions saved annually

Equal to the emissions created by 378,000 U.S. homes



Who we are

We're a leading provider of clean water solutions and services across the world.

Employees

12k+

Pro forma revenue

~\$2.5B

Recurring revenue

~65%

Exclusive dealers

1k+

Service technicians

4k+

Consumers served globally per year

140M+

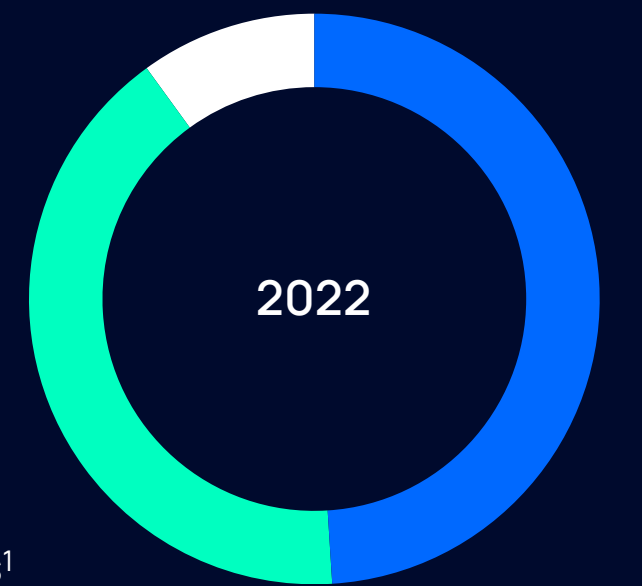


Our scale, reach and diversification provides us with a unique opportunity to make a meaningful difference in people's lives at home, at work and on-the-go."



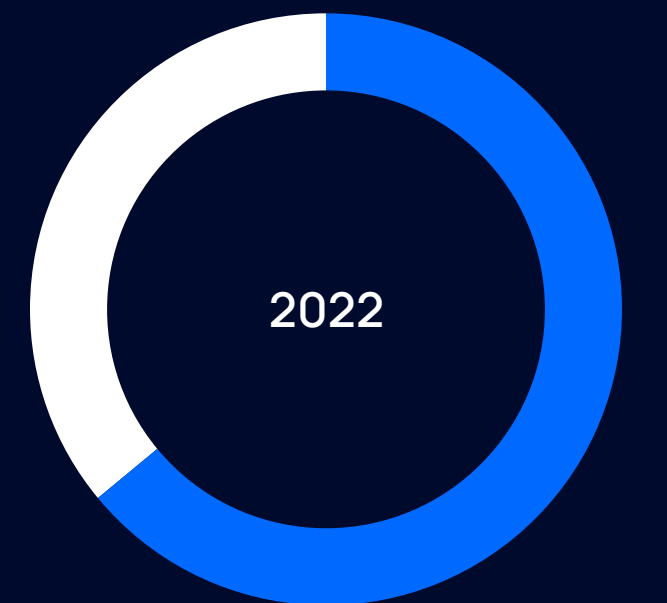
Al Hamood
President, Chief Financial and Administration Officer

Revenue by geography



- 49% Americas¹
- 41% EMEA²
- 10% APAC³

Revenue by end market



- 64% Out-of-home
- 36% Household

Where we are

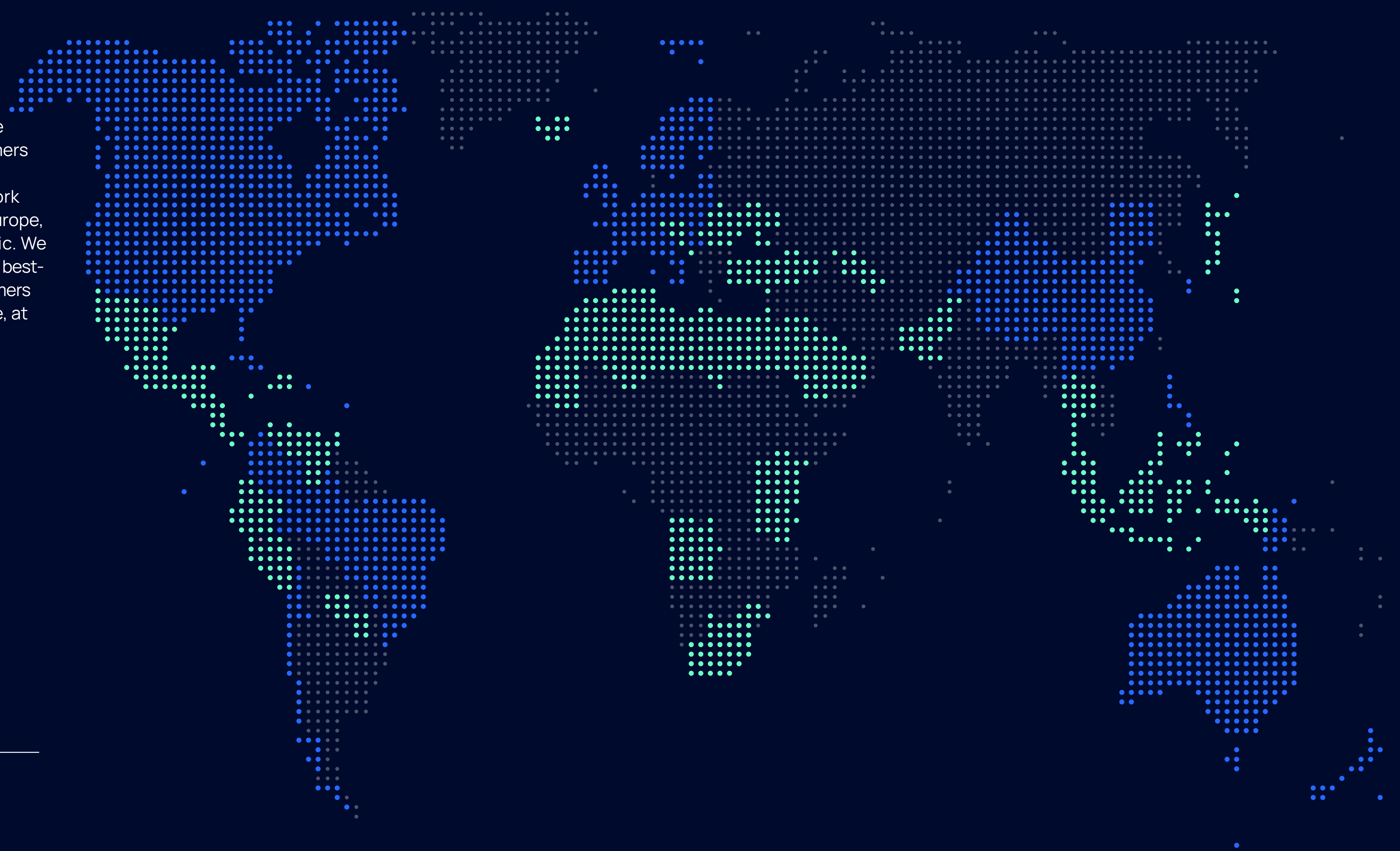
We have the largest consumer water active installed base in the world. We serve consumers clean, safe and sustainable water in more than 30 countries, and have a dealer network reaching more than 90 countries across Europe, North America, Latin America and Asia-Pacific. We are steadfast in our commitment to provide best-in-class water solutions and services to consumers around the world, wherever they are – at home, at work or on-the-go.

30+

Countries with direct operations

Culligan commercial and household

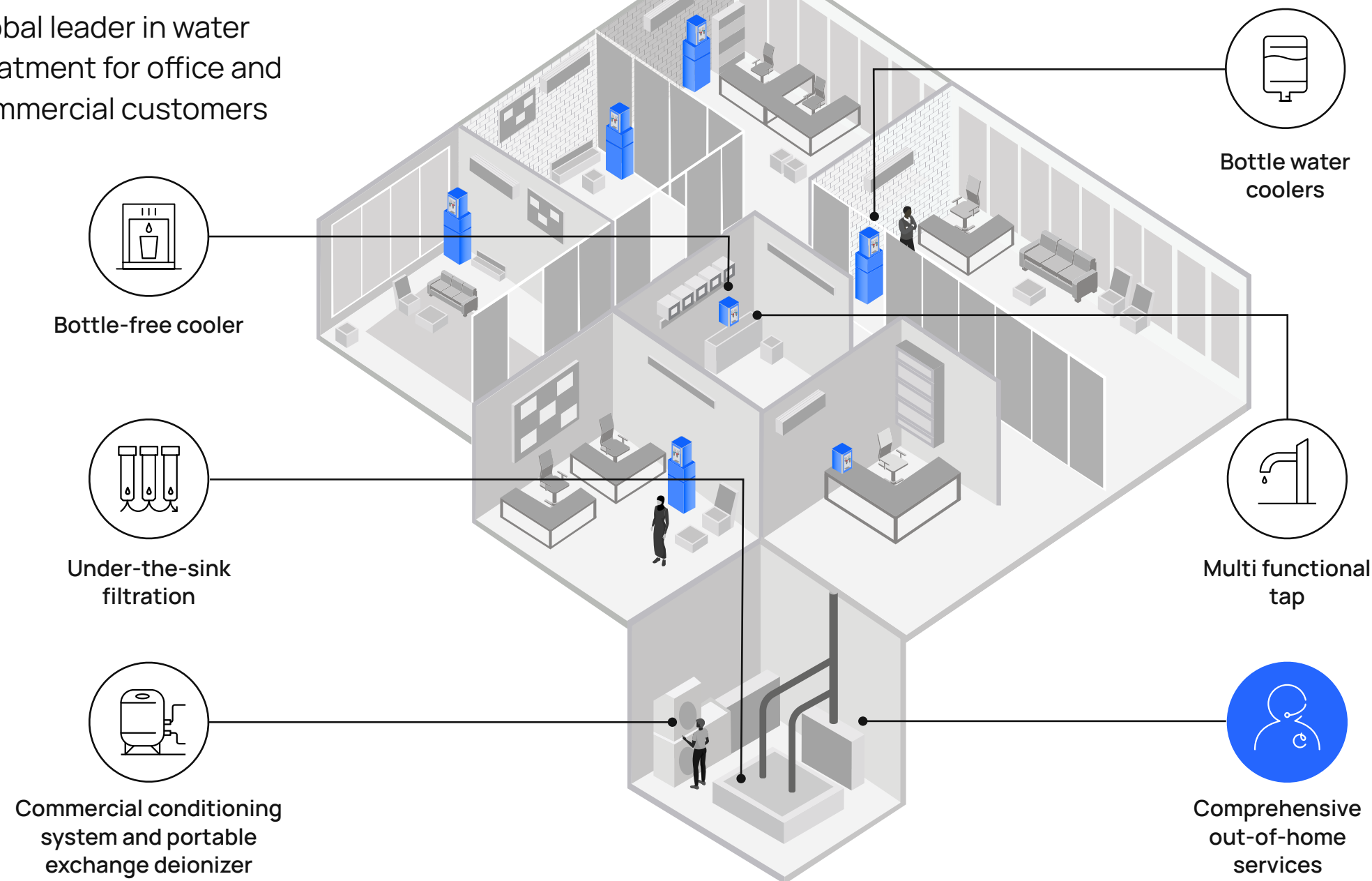
- Direct operations
- Indirect operations



Healthy and sustainable water everywhere, every day

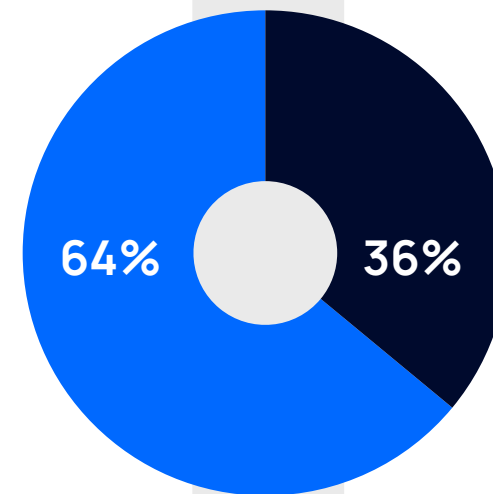
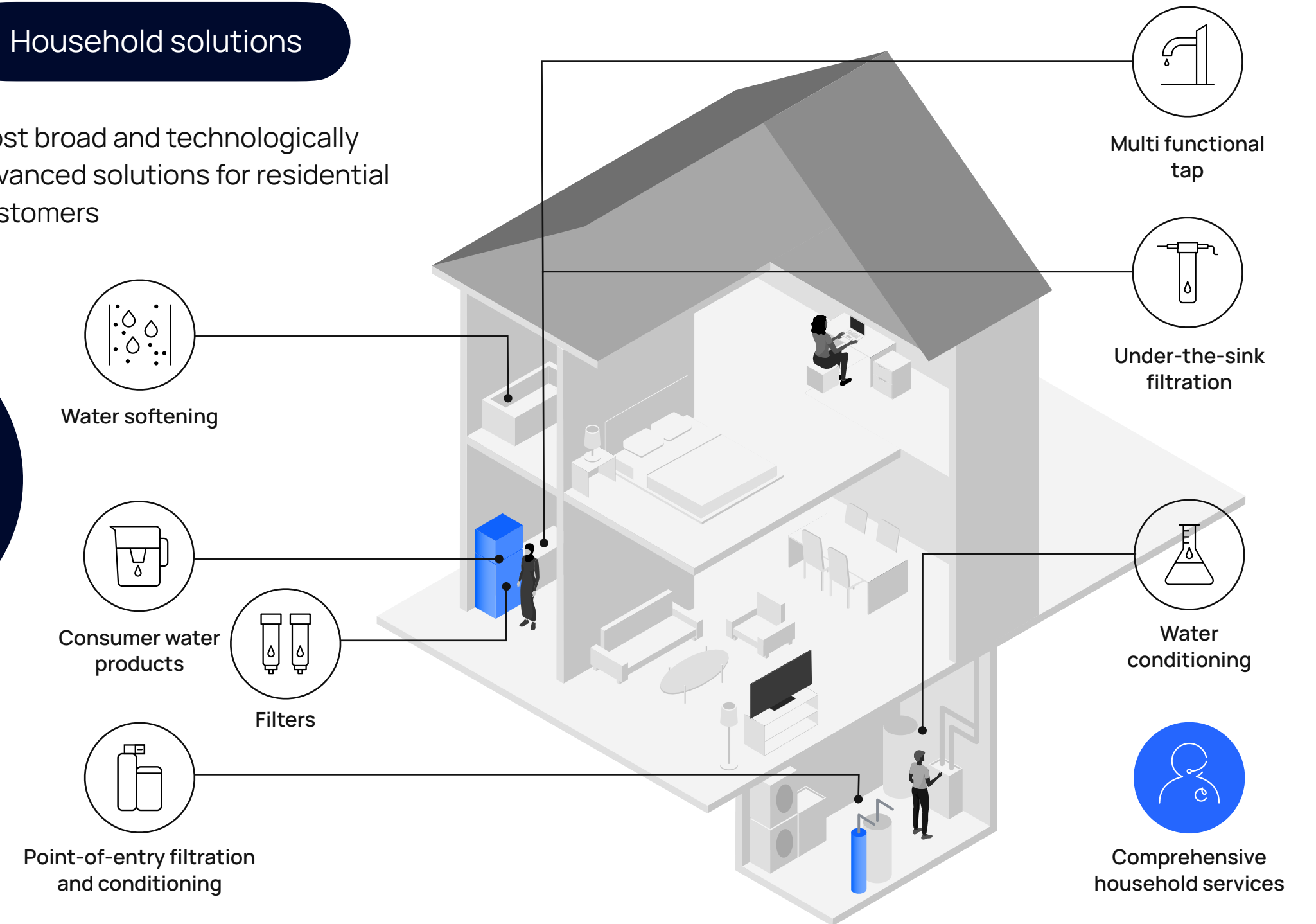
Out-of-home solutions

Global leader in water treatment for office and commercial customers



Household solutions

Most broad and technologically advanced solutions for residential customers



\$1.6B

2022 revenue

5M+

Active installed office units

>70%

Recurring revenue

\$900M

2022 revenue

8M+

Active installed home units

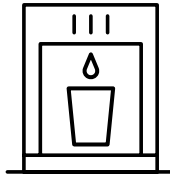
>60%

Recurring revenue

Our solutions


We empower millions of people to make better, healthier choices around water and hydration.

From single-glass to whole-office solutions, we meet our customers' needs by offering clean, soft, great-tasting water at home, at work and on-the-go, avoiding the need for single-use plastic.



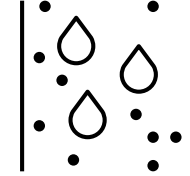
Plastic bottles avoided annually
Avg. out-of-home **~4,400**

Bottle-free coolers
Dispenser of filtered water plumbed to the water supply providing filtered, hot, chilled, carbonated and/or flavored/mineralized water



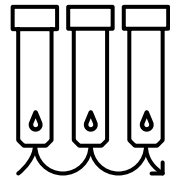
CO2 emissions saved annually
Avg. out-of-home **~2,500 kg**

Multi functional tap
Taps providing boiling, chilled and carbonated water



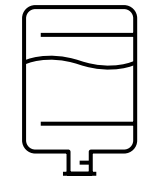
Potential increased lifespan of water-using appliances
Avg. home & out-of-home **~50%**

Water softening
Point-of-entry systems that provide cleaner, fresher, soft water at every tap in the home




Liters of water filtered annually
Avg. home & out-of-home **~2,600**

Under-the-sink filtration
Under-sink point-of-use water treatment systems with filtration technologies such as reverse osmosis (RO) and activated carbon



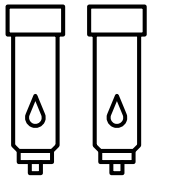
Plastic avoided annually
Avg. home & out-of-home **26 kg**

Bottle water coolers
Water dispensers using bulk water bottle on top or inside the system



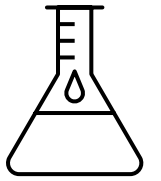
Plastic bottles avoided annually
Avg. Refrigerator pitcher **~787**

Consumer water products
Refrigerator pitchers, tap-mounted filters, shower filters, soda-makers and filtering/chilling bottles




Plastic avoided annually
Avg. home & out-of-home **33 kg**

Filters
Specialty filters for refrigerators



Reduced water heating energy demand annually
Avg. home & out-of-home **23%**

Water conditioning
Removing scale from water to improve home appliances' energy efficiency and give consumers softer hair and skin



Comprehensive services
We offer a comprehensive set of services across the entire consumer water journey

Our growing brand

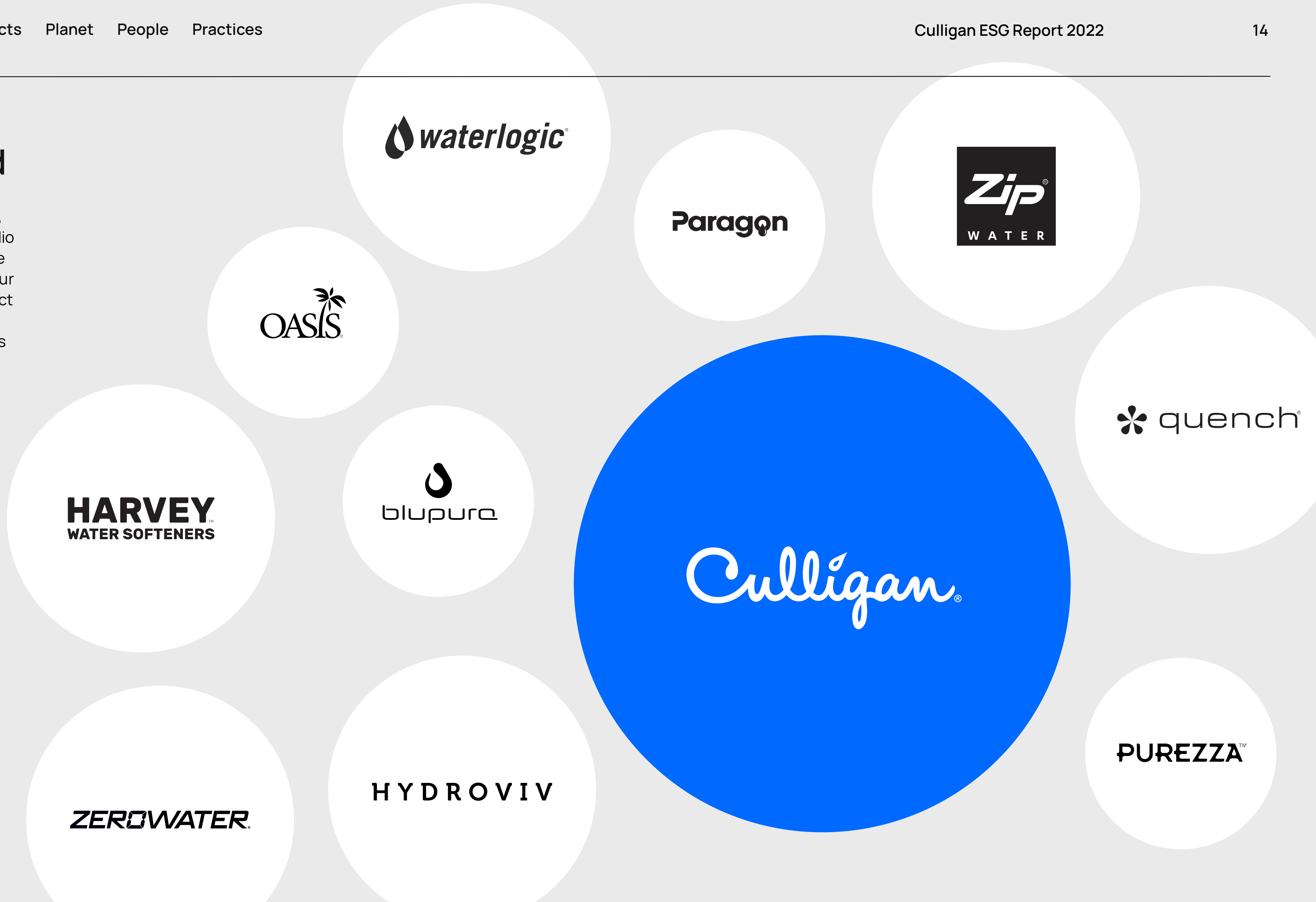
In addition to our strong organic growth, we have strategically expanded our portfolio through mergers and acquisitions. These additions have significantly extended our reach, enhanced our capabilities for product development and innovation, and further solidified our position as one of the world's leading water services companies.



Culligan is an authentic and dynamic brand. There is passion and purpose behind all that we do, and we come together under one mission to deliver instant access to clean, safe, better tasting water for all. ”

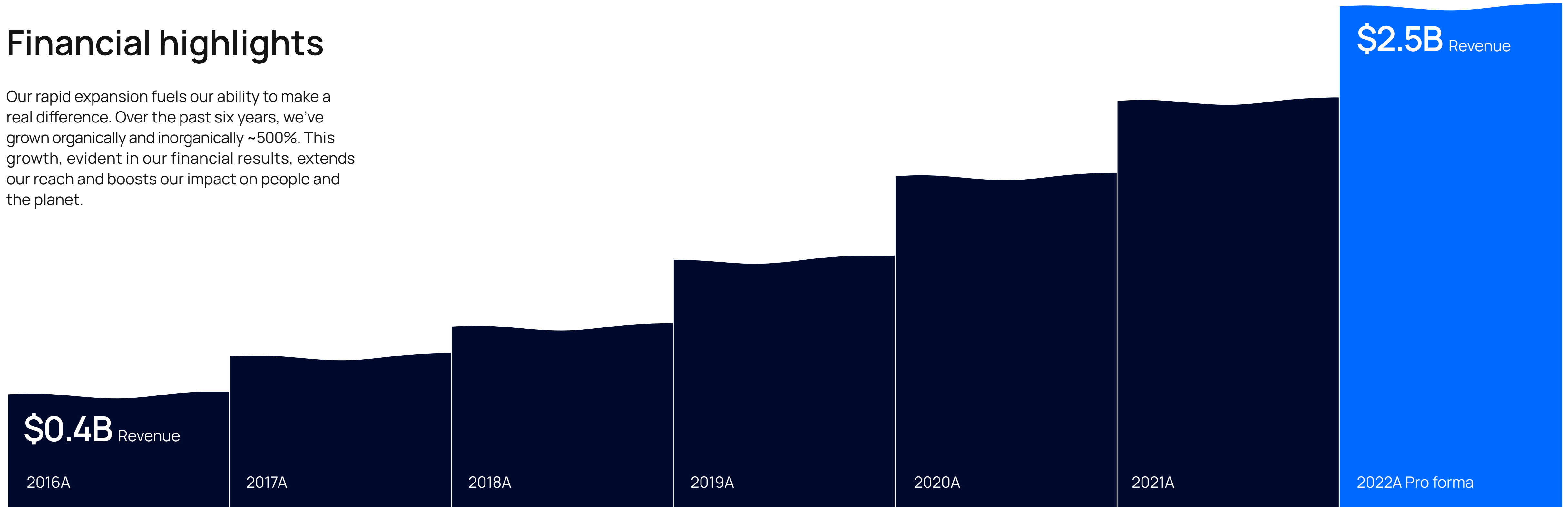


Patricia Pieretti
Chief Marketing Officer



Financial highlights

Our rapid expansion fuels our ability to make a real difference. Over the past six years, we've grown organically and inorganically ~500%. This growth, evident in our financial results, extends our reach and boosts our impact on people and the planet.



+8%

Organic revenue CAGR¹ (2016–2022)

+30%

Total revenue CAGR¹ (2016–2022)

65%

Recurring revenue

Our ESG strategy

Our employees want to work for a collaborative, supportive company with a positive purpose.

Our consumers expect solutions that help them make better choices about their water, their health and their environment. Investors are looking for businesses that do well by doing good. So, we have created a multiyear strategy to become a sustainability leader that creates long-term value for all our stakeholders.

To turn this ambition into reality, we have set out five commitments that will inspire and empower us to drive growth and positive change. These commitments, which align with the [UN Sustainable Development Goals \(SDGs\)](#), have been inspired by our values. Our materiality assessment also helped us define four focus areas, through which we'll target our efforts.

BSR Member

Culligan is a member of [BSR](#), a global network of more than 300 leading companies dedicated to building better businesses through innovative sustainability solutions. The insights, advice and collaborations we gain from our membership help us transform challenges into opportunities that create long-term value and competitive advantage. In particular, BSR has reviewed our DEI and carbon mitigation strategies.

Our focus areas

Our products



Programs

Product circularity

- Life cycle assessment tools
- 100% new products assessed for ESG criteria by 2030

SDGs



Our planet



Carbon reduction journey

Water stewardship



Our people



Culligan Cares

Diversity, equity and inclusion (DEI)

- 35% women in leadership by 2030
- 30% racial/ethnic diversity in leadership by 2030 (U.S.)



Our practices



Annual communication on progress through ESG report

Supplier Integrity Program

- 100% new suppliers assessed for ESG criteria by 2030
- 100% preferred suppliers acknowledge Supplier Code of Conduct by 2030



ESG is too critical to be left to one role or one department. Our ESG strategy comes to life with the help of hundreds of employees, or as we call them, ESG Champions. I am pleased to be a part of the progress we have made and appreciate the opportunity to communicate the hard work and commitment to our purpose that has gone on behind the scenes."



Nickie Cashdollar
Manager, ESG



Our purpose speaks for itself at Culligan. Bringing clean, safe water in the most sustainable way possible is what we've done for nearly 90 years. That's who we are every day and who we plan to be in the future."



Christina Beckman
Senior Manager, ESG

Our materiality process

We're determined to make sure our products and operations have a positive impact on people and the planet. Managing ESG priorities is integral to our purpose, and it's why we continue to expand our efforts and maintain our focus on the things that really matter.

Identifying our key focus areas

In 2022, we engaged with our stakeholders through a formal materiality assessment to identify and understand the issues that are most relevant to our stakeholders and our business. This also helped us focus on the topics that enable us to minimize our negative impact, as well as make a positive difference through our work. This was an important step in assessing where we are and where we want to be along the ESG spectrum.

The three-step process we followed, which aligned with [GRI](#) and [AA1000](#) Standards, is outlined here.

Industry landscape

- Review of global trends, emerging issues and regional highlights
- Insights from external ESG professionals
- Review of ESG reporting frameworks ([GRI](#), [UN SDGs](#), [TCFD](#) and [SASB](#))
- Assessment of three industry peers

Thorough stakeholder interviews

- Employee survey (834 responses), with opinions gathered from:
 - 17 functions (46% in consumer-facing roles)
 - All regions (47% EMEA, 35% North America and LATAM, 18% APAC)
- Interviews with 10 leaders
 - Eight internal stakeholders (senior leadership, legal, HR, technical services, etc.)
 - Various external stakeholders (from Various external stakeholders)

Materiality assessment

- Distill industry trends, peer and competitor activities, stakeholder perspectives and business focus into top ESG topics
- Use insights to inform our ESG position, strategy and communications

Materiality results

This assessment informed the topics that we are targeting through our ESG strategy. These results, summarized in the matrix shown, will also guide our ESG program and inform how we prioritize the allocation of resources in the future. As materiality is a dynamic topic, we are committed to evolving our approach as required. This may involve shifts like adding stakeholders, mitigating risks, and being guided by other frameworks and standards.

To progress toward the ESG leadership position we aspire to, we will focus more on:

- Employee health and wellness, workers' rights and fair compensation
- Product sustainability, including responsible materials and circularity
- Key governance topics and best practices
- Appropriately scaled and targeted community initiatives



Importance to/influence on internal stakeholders

- Environmental
- Social
- Governance

Moderately important

Business critical



Our products

Our purpose is to transform water, to impact lives and protect the planet for all. We start by listening to our customers, then work to meet their needs and expectations through an evolving portfolio of innovative products and technologies. To achieve this, we employ responsible production methods, use sustainable materials where we can and work with ethical suppliers, underpinning everything we do with an exceptional consumer experience.



Our role in reducing single-use plastic

Single-use plastic bottles are common and convenient – but they’re polluting our planet. Their production requires intensive use of energy, plastic and water. And, despite the best of intentions, most single-use plastic isn’t recycled. According to the U.S. Environmental Protection Agency (EPA), only 29.1% of PET plastic bottles and jars were recycled in 2018.¹

Every minute, the equivalent of one garbage truck of plastic ends up in our oceans.² Without action, that rate will quadruple by 2050, with more plastic flowing into the oceans each year.²

At Culligan, we believe one of our most important contributions is providing consumers with sustainable alternatives to single-use plastic. From our baseline pitcher to a whole-home or office system, Culligan products offer consumers the ability to choose healthy hydration while helping reduce the amount of single-use plastic in the world.

~500B

Plastic bottles purchased by consumers across the globe⁴



450 years

Time it takes a plastic bottle to decompose⁴



9%

Plastic waste actually recycled⁵



Culligan's exceptional household and out-of-home solutions

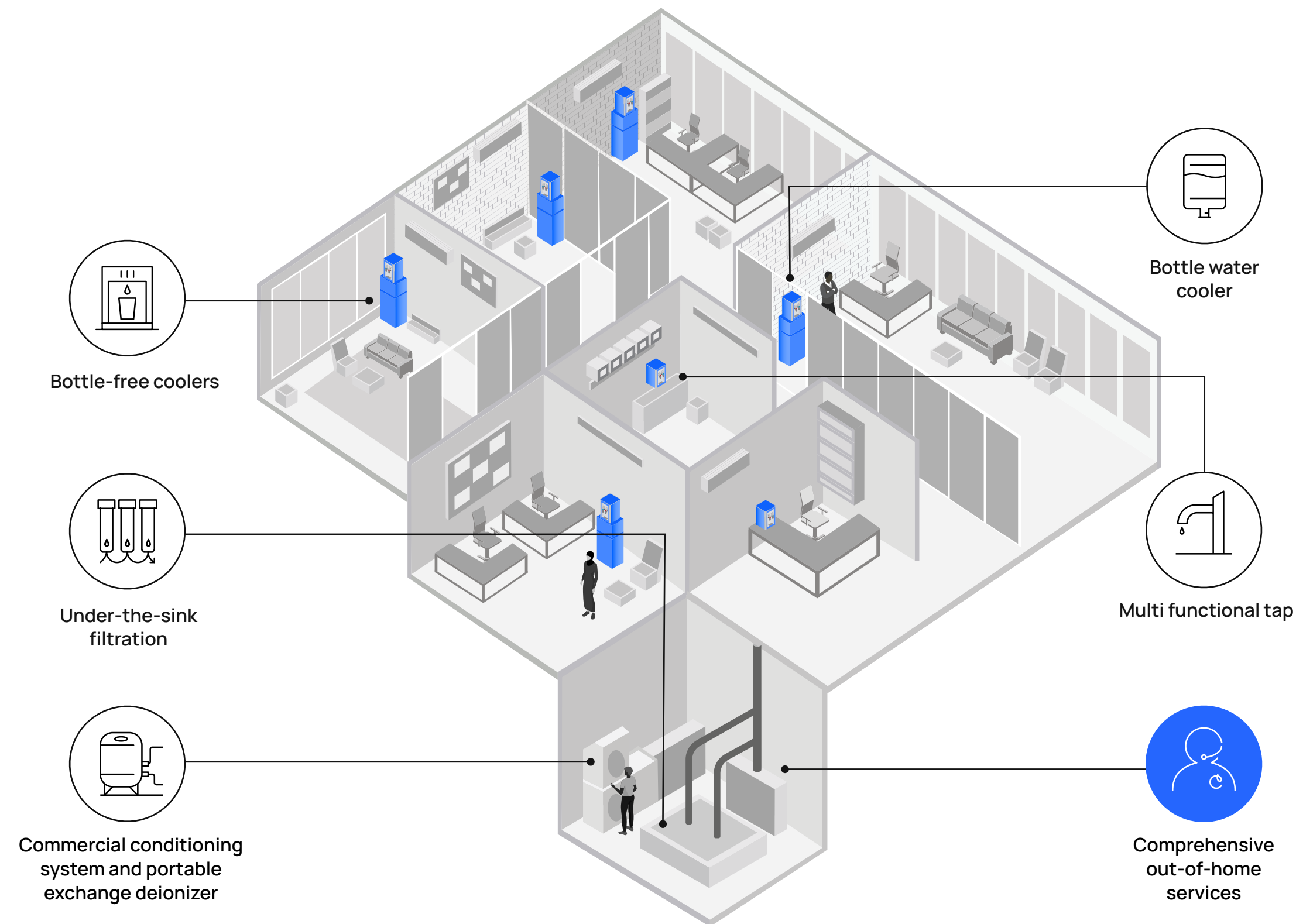
We know there's no one-size-fits-all solution when it comes to water. That's why we're continuously innovating and evolving our offerings to ensure we exceed expectations. From a single glass of water to whole-office solutions, we offer the best-tasting water to more than 140 million consumers every year, whether they're at home, at work or on-the-go.

Read more about our [products and services](#) online.

Out-of-home solutions

We're a global leader in commercial water treatment solutions, having placed bottle-free and bottled water coolers, Multi functional taps and filtration systems in 5 million out-of-home units worldwide. We typically provide our conditioning and softening technology through service contracts. We also provide water fountains and bottle filling stations supplying drinking water solutions to hotels, restaurants, cruise ships, hospitals and other commercial customers. These businesses aren't just becoming more sustainable by choosing Culligan products over single-use plastic bottles or other alternatives; they're also helping us achieve our goal of increasing access to clean water. After all, it only takes one commercial customer using our products to benefit thousands of people.

Global leader in water treatment for office and out-of-home customers



Bottle-free cooler

Dispenser of filtered water plumbed to the water supply providing filtered, hot, chilled, carbonated and/or flavored/mineralized water

Multi functional tap

Taps providing boiling, chilled and carbonated water

Water softening

Point-of-entry systems that provide cleaner, fresher, soft water at every tap in the home

Under-the-sink filtration

Under-sink point-of-use water treatment systems, with filtration technologies such as reverse osmosis (RO) and activated carbon

Bottle water coolers

Water dispensers using bulk water bottle on top of or inside the system

Comprehensive out-of-home services

We offer a comprehensive set of services across the entire consumer water journey

Household solutions

More than 8 million homes around the world have our technologically advanced solutions for individual consumers in place. These products and services include:

- Bottle-free countertop and free-standing purified water coolers
- Filtration systems with multi-functional taps for instant boiling, chilled or sparkling water
- Filtration technology that reduces contaminants such as lead and arsenic to safe levels
- Bottled water cooler units
- Water-softening systems that address the impact of hard water

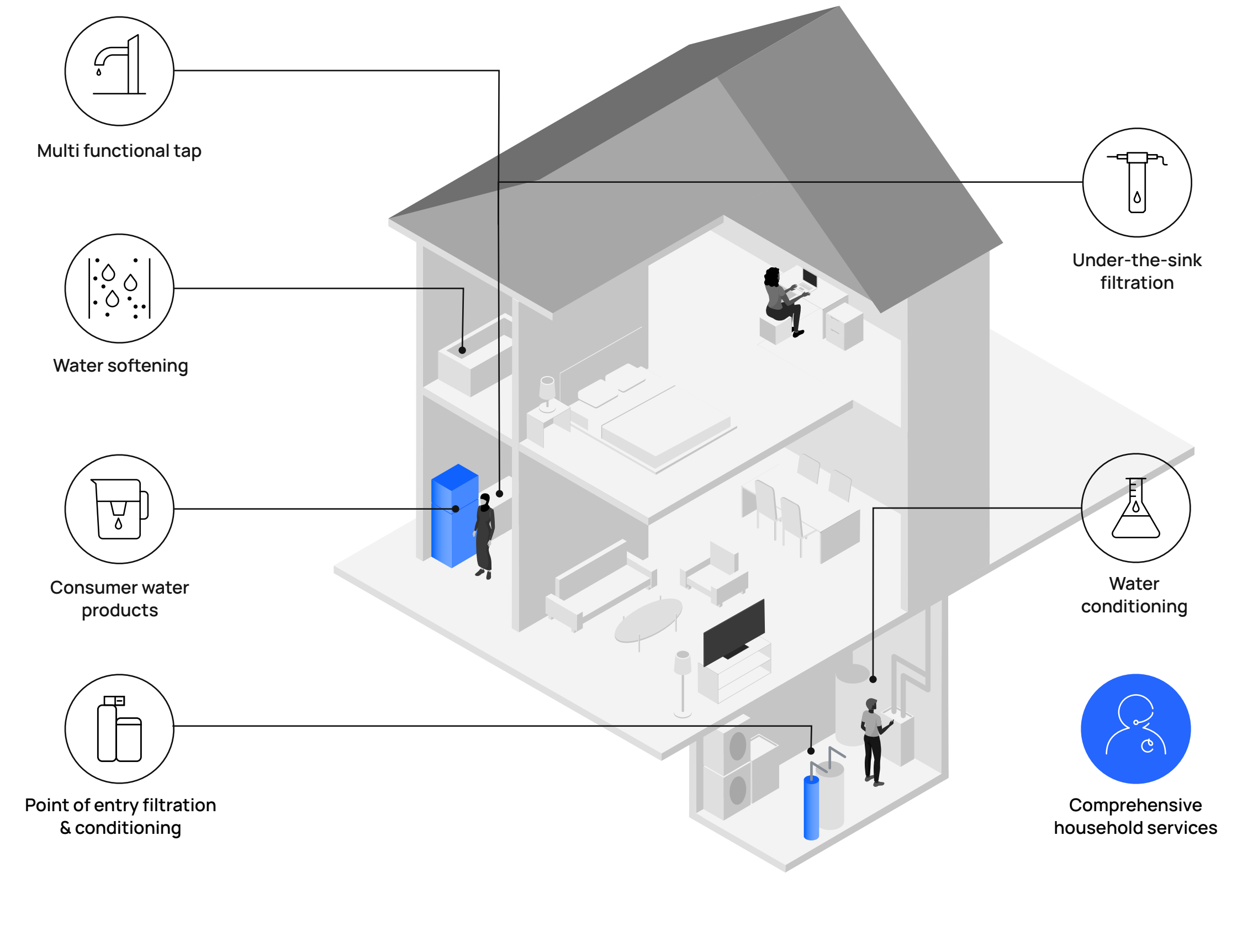


The Culligan team serves its customers with professionalism and heart. We bring happiness to consumers and have a positive impact on their lives, as well as on the planet."



Florent Carbonneau
CEO, Culligan France and Switzerland

Most broad and technologically advanced solutions for household customers



Bottle-free cooler

Dispenser of filtered water plumbed to the water supply providing filtered, hot, chilled, carbonated and/or flavored/mineralized water

Multi functional tap

Taps providing boiling, chilled and carbonated water

Water softening

Point-of-entry systems that provide cleaner, fresher, soft water at every tap in the home.

Under-the-sink filtration

Under-sink point-of-use water treatment systems, with filtration technologies such as reverse osmosis (RO) and activated carbon

Bottle water coolers

Water dispensers using bulk water bottle on top of or inside the system

Consumer water products

Refrigerator pitchers, tap-mounted filters, shower filters, soda-makers and filtering/chilling bottles

Filters

Specialty filters for refrigerators

Water conditioning

Removing scale from water to improve home appliances' energy efficiency and have softer hair and skin for consumers

Comprehensive services

We offer a comprehensive set of services across the entire consumer water journey

Exceptional service as standard

Our products are backed by our worldwide network of professionally trained technicians, who give every customer the same high standard of service. This includes system testing and maintenance, water and salt deliveries, repairs and replacements. By extending the working life of our already-durable solutions through regular servicing, we maximize the value they offer, reduce negative environmental impact, build trust in our products and enhance the consumer experience.

Service technicians worldwide

4k+

Service visits per day

20k+



Designing for sustainability

We develop best-in-class solutions that incorporate our purpose and are designed to be more efficient than their predecessors.

When we develop a new product, there are sustainability considerations that we design from the start.

As well as ensuring that our production processes are energy- and resource-efficient, we make our solutions durable. We consider the impact of our products over their entire lifetime through life cycle assessments (LCAs) and build them with disassembly and recyclability in mind to reduce waste and minimize resource use. We also use recycled and other low-impact materials wherever possible.

Our commitment to improving the sustainability of our products remains an ongoing priority. Our goal is to incorporate ESG-related innovation guidelines for 100% of our new and updated products by 2030.

We are increasing the connectivity of our devices. The next generation will offer a variety of innovations such as touchless filtration technology, offering consumers even greater efficiency and sustainability.

Product certifications

As experts in water treatment and product design, we're pushing our technology to remove more potentially harmful contaminants, ensuring consumers get the clean, great-tasting water they deserve. Third-party certifications are important to Culligan because they verify that our products meet the highest water quality standards in each region or country.

Using natural refrigerants

Embracing sustainability as its philosophy, Blupura became one of the first companies in the world to produce water coolers using natural gases such as R290, a refrigerant with a lower global warming impact.



Soft water the smart way

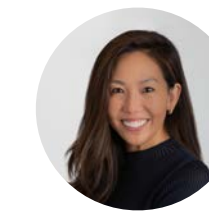
Designed and manufactured in the UK, the HarveyArc is the smarter way for customers to get soft water at home.

Using our latest technology for maximizing flow rate, the HarveyArc helps consumers reduce their energy bills by up to 30%. Its exterior contains 38% less plastic than previous models, and 62% of the plastic used comes from recycled sources. It also contains a WiFi-enabled i-Lid, which integrates with the MyHarvey app to automatically monitor salt levels.

The unit is designed to last 1 million cycles, and after that, an end-of-life recycling program closes the loop and recovers the plastic. We have also replaced all plastic packaging with recyclable cardboard.



Culligan's expertise in water purification and transformative solutions empower consumers to make an informed decision on how to bring clean, safe drinking water into their lives. Not only does Culligan's diverse product portfolio ensure accessibility to life-sustaining water, but it also provides a unique opportunity for our consumers to actively contribute toward reducing plastic waste and embracing an eco-conscious, health-focused lifestyle."



Kathy Chi Thurber

President, Consumer Products

Zip HydroTap: energy efficiency and sustainability

Over its 75-year history, Zip, a Culligan business unit, has become known for its expertise in instant filtered boiling, chilled and sparkling water Multi functional taps.

Zip's HydroTap illustrates the intentional way we build our products to the highest standards of sustainability. The tap comes with a choice of 3 smart energy saving modes for optimum efficiency and Patented Zip PowerPulse™ technology. Unlike other heating systems, PowerPulse™ delivers a precise amount of energy to the heating element and this combined with bespoke water circulation technology ensures that the temperature is precisely maintained. This is the most efficient way of heating and maintaining set water temperature.

By using an innovative air-cooled system to remove the heat generated by the refrigeration process for chilled water, the

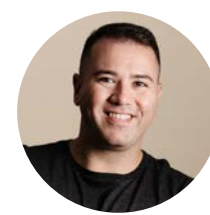
HydroTap is 100% water efficient. Also, Micro-Purity filters improve water quality, reducing impurities and potentially harmful contaminants larger than 0.2 microns in size.

In addition, the tap uses HydroTap Clean technology to regulate itself to a high standard of hygiene. The safe, natural, certified organic and pH-neutral biodegradable solution interacts with the electrochemically activated water to act like a cleaning agent, preparing the system for use.

The Zip HydroTap produces up to 90% less carbon emissions than single-use plastic bottles in a commercial setting, and up to 33% less than a kettle.



Like us, our customers care about the sustainability of our products and our operations. Innovation is at our core to continually improve and provide water at its best to our consumers."



Michael Spiteri
Project Management Officer, Zip Water



Driving sustainability with our softener products

A majority of the population live with hard water.

The impact of hard water goes beyond unsightly water spotting on shower doors and glassware, dingy laundry and dry skin. Hard water leads to the formation of scale build-up which not only makes cleaning difficult but also reduces the energy efficiency of water heaters and the service life of water using appliances like dishwashers and clothes washers.¹ Softened water prevents scale build-up which reduces energy consumption while prolonging the service life of these appliances. Soft water cleans better and helps reduce the need for excessive amounts of water, soap, detergents and household cleaning products which is good for our environment.

By contrast, using soft water – which is low in minerals such as calcium and magnesium – mitigates the impact.

Our Aquasential Smart High Efficiency (HE) water softeners provide soft water in as efficiently as possible. Our patented Aqua-Sensor technology can sense changes in your water hardness level and adjust the system accordingly to provide maximum hardness reduction and regeneration efficiency. Upflow brining can reduce salt, water consumption and brine discharge further reducing environmental impact. Additional Smart HE softener features also include our Culligan Connect App for your Smart phone or tablet, which allows you to monitor your daily, weekly and monthly water usage patterns to help meet water conservation goals while ensuring your system is performing at peak efficiency.

“We’ve always built robust products that will last a long time, helping to keep waste out of landfill. We design our solutions to be efficient and durable, passing along reliability and cost savings to the customers. We started doing this because it’s important, but we continue to do it because it’s the right thing to do.”



Doug Anderson
Senior Director of Global Engineering and Research & Development



Savings in household energy costs when using Culligan conditioning ² **23%**

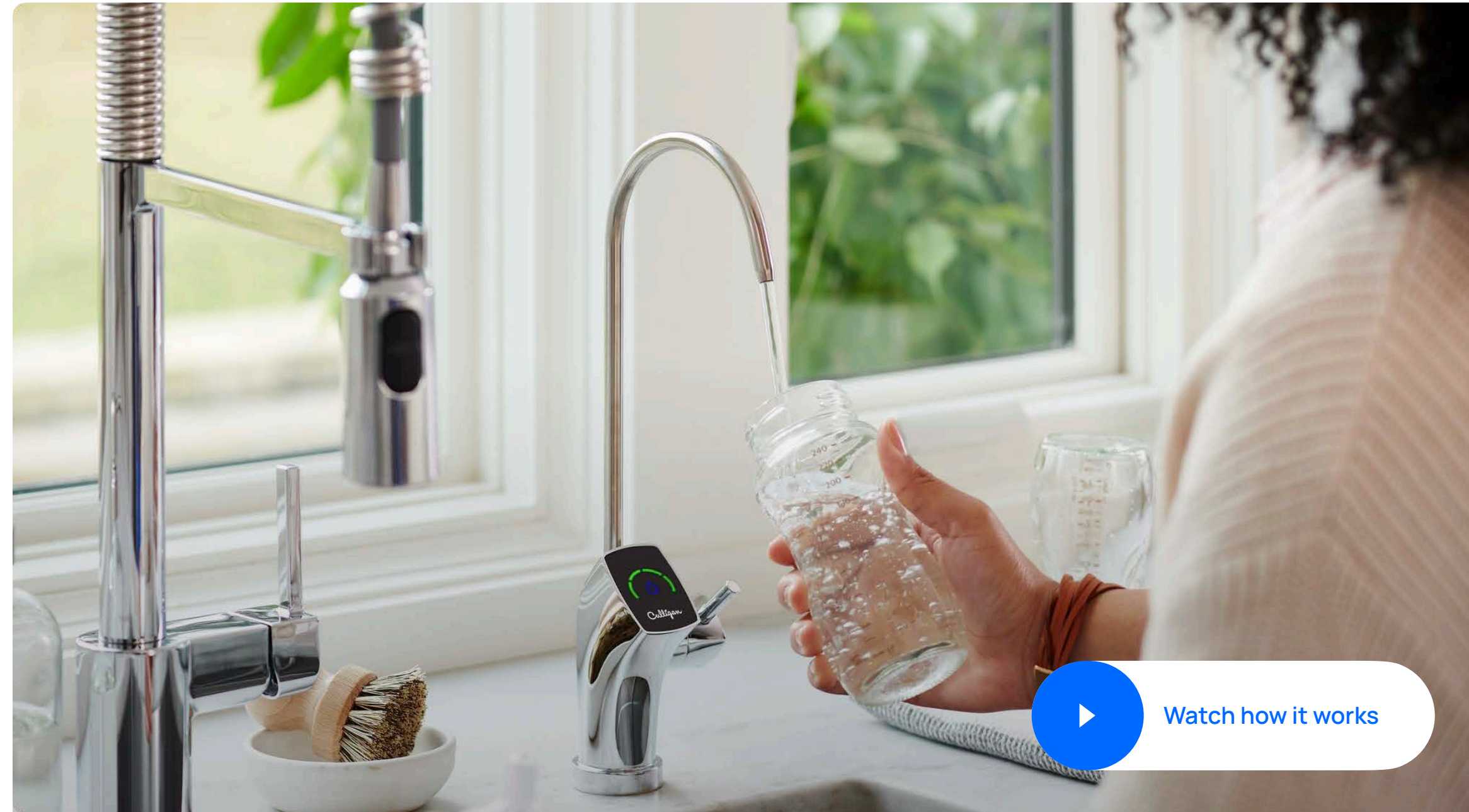
Potential increased lifespan of water-using appliances ² **~50%**

Increasing efficiency with reverse osmosis solutions

Reverse Osmosis (RO) systems use a wide range of filtration technologies, from sediment and activated carbon to semi-permeable membranes to filter out unwanted contaminants, giving consumers a reliable source of high-quality, great-tasting water.

Our line of under-sink drinking water products includes the Aquasential® Smart RO system. This Advanced Reverse Osmosis system uses the latest filtration technology. It is electronically controlled with a suite of sensors – only found in this unit – that monitor water quality, temperature, pressure, and flow and can adjust the system to maximize performance and water efficiency. The Aquasential® RO is the most efficient tanked RO on the market, making it up to five times more water efficient than its major competitors.

In addition, the system connects with a mobile app to help consumers track their water consumption, measure water quality, and provide alerts if anything is wrong, giving the customer more control and insight into their water and greater peace of mind.



Increase efficiency with our RO systems

More efficient than our leading competitor

5.5x¹



In product development, incorporating sustainability is no longer just an added advantage; it's necessary. We are committed to creating great products while also playing a part in conserving the world for future generations."



Chia Kung
Global Product Management,
Drinking Water

Reducing life cycle impact

Life cycle assessments (LCAs) are used by Culligan and consumers to quantify the environmental impact of products and services over their entire lifetime, from sourcing materials, manufacturing and transport to product use and end-of-life disposal.¹

Additionally, LCAs inform product innovation by providing detailed perspective about products today and the possibilities for tomorrow. LCA data enables product development teams to address the main sustainability impacts during a product's life cycle when designing new solutions.

By manipulating the materials in a product, it's possible to determine its overall impact on human health, natural ecosystems and resource availability before design even begins. This could result in fewer emissions, lower energy consumption and more efficient resource use.

Powerful consumer insights

Using this practice, we created a third-party, proprietary online LCA tool to assess our seven main products. The web-based Environmental Impact Calculator quantifies and communicates the environmental benefits of our solutions, from conception to end of life, compared to less sustainable alternatives such as single-use plastic bottles. Verified by third-party experts, LCA data and methodology equip Culligan and consumers with confidence. Our consumers choose Culligan to meet their own sustainability standards, including the ability to accurately monitor and report their reduced environmental impact.

Once consumers have selected the relevant product, the expected number of people served and the estimated length of product life, they can see the product's impact in terms of the number of plastic bottles, amount of plastic and carbon emissions avoided.

To highlight the benefits, the platform – developed during 2022 and launched in early 2023 – also outlines equivalent savings in terms of avoided miles driven in a car, avoided hours flown in a plane, seedlings grown over a 10-year period and hours of LED lightbulbs saved.



Life cycle analysis is the compass guiding Culligan's sustainable product development. By scientifically evaluating each phase's impact, we prioritize design elements with the greatest sustainability influence, enabling us to develop eco-friendly offerings that make a positive impact on the world."



Chris Freeman
VP Product Portfolio Management

[Check out the LCA tool](#)



Our planet

Our purpose of transforming water to impact lives is inextricably linked to protecting the planet. We're driven to reduce single-use plastics by developing more-sustainable products and services for our consumers. We're also working to cut our energy and water use, lower our carbon emissions and protect biodiversity to reduce our impact on the world around us.



Managing our environmental impact

Today, the world faces many unprecedented challenges. Acknowledging our growing population and changing climate, the United Nations warns that without adaptive measures, the number of people without sufficient water for at least one month a year will rise from 3.6 billion today to more than 5 billion by 2050.¹ Greenhouse gas (GHG) emissions are at their highest levels in 2 million years² and millions of tons of plastic waste now clog up our waterways.³

Addressing such issues has never been more urgent or more important. To help make a real difference to people and the environment, we provide clean water solutions and strive to reduce the carbon footprint of our operations and our products. While our global ESG strategy is overseen by our dedicated ESG team, it is reflected in our everyday work and the passion we have for environmental stewardship.

Measuring and reducing our footprint

To help us manage and reduce the impact our business has on the environment, we continuously monitor our energy consumption, water use and waste generation across the organization.

At the local level, our network of employee "ESG Champions" conducts data collection and analysis. This work, done at business units around the world, informs our continuous improvement projects and fosters accurate target setting and achievement.

Progress against these targets will continue to be communicated annually through our ESG Report and sustainability indexes.

Our certified facilities

EcoVadis⁷ provides sustainability ratings and performance improvement tools for more than 85,000 organizations across 155 countries. Easy-to-use sustainability scorecards provide detailed insight into environmental, social and ethical risks, helping businesses evaluate, validate, benchmark and improve their ESG performance. These ratings also build trust and awareness among customers and other stakeholders, and help satisfy the demand for greater transparency.

Culligan facilities around the world, including sites in Germany, Italy, France and Australia, have received EcoVadis certification. For example, in November 2022, Zip Australia received a Gold sustainability rating by EcoVadis. The accolade recognizes Zip's performance in four areas – Environment, Ethics, Labor and Human Rights, and Sustainable Procurement – which was found to be in the 93rd percentile of companies assessed.



Today

3.6B⁴

Number of people without sufficient water for at least one month a year

By 2050

5B+⁴

Effective water stewardship

As global water needs – from access to safe drinking water to the demands of cities and businesses – continue to evolve, we’re well positioned to address the challenges and maximize the opportunities through our expertise, commitment to innovation and consumer focus.

Many major obstacles prevent universal access to clean, safe water. Combined, these threats – including poor hygiene and sanitation, limited water infrastructure and water insecurity – have a negative impact on the environment, human health, economic growth and access to education.

We are focused on providing solutions to these challenges to ensure access to cleaner, safer water. Through our products and services, we deliver around 28 billion liters of filtered water each year to approximately 140 million people.

Alongside our core business, we are investing time and resources to support water stewardship, focusing on expanding our solutions, aligning with best practices and committing to continuous improvement.

Percentage of drinking water that is impure

33%¹

Annual percentage of GDP for dirty water-related healthcare costs in developing countries

1.5%²

By 2025, two thirds of the world population could face water-stressed conditions.

2/3³

Poor water quality, sanitation and hygiene account for 1.7 million deaths of children under 5 years annually

1.7M⁴

People lack access to safe drinking water

2.1B⁵

U.S. water managers expect shortages under average conditions in some portion of their state over the next decade

40/50⁶

Number of hours women and girls spend collecting water everyday

200M⁷

Percentage of elevated levels of lead in U.S. school districts tested in 2017

37%⁸

Alignment with the United Nations

The UN [CEO Water Mandate](#), a [UN Global Compact pledge](#), provides guidance on quantifiable, impact-oriented goals known as the Net Positive Water Impact (NPWI). This measures how companies manage water within their own operations, as well as how they interact with watersheds, ecosystems and communities over the short and long term.

We commit to developing effective water stewardship practices and working collaboratively to reduce critical water risks across six target areas: direct operations, supply chain and watershed management, collective action, public policy, community education and transparency.

We also take our commitment to water to the highest level through the [Water Resilience Coalition](#), an industry-driven, CEO-led initiative to address the global water crisis. Together, by 2030, our coalition will achieve positive water impact in more than 100 water-stressed basins that support more than 3 billion people and enable equit-able and resilient water access, sanitation and hygiene (WASH) for more than 300 million people.

We also share an annual communication of progress on both of these UN commitments.



Addressing water contamination

Many people don't know the quality of their water or appreciate the harm that contaminated water can cause. But once they know what's in their water, they can make informed choices about if, or how, they want to treat it.

Mapping water contaminants

Contaminants in water present constant issues. New and emerging contaminants are finding their way into our water, reducing its quality. Some of these additives and impurities cause noticeable odors or odd tastes, but others are harder to detect. Most aging municipal water treatment facilities aren't designed to address them. But Culligan is uniquely positioned to empower people to transform their water for better health and well-being.

Combatting PFAS

One particular group of contaminants, PFAS, is a growing problem. Used in polishes and waxes, fabrics, food packaging, cleaning products, fire retardants and non-stick surfaces, PFAS make products resistant to oil, grease, stains and water.

These chemicals are tough to break down in the environment – hence their nickname, “forever chemicals” – and have been associated with a wide range of health issues, including cancer, obesity, low fertility, liver damage and high cholesterol.¹

Given the public health concerns, the U.S. Environmental Protection Agency (EPA) has recently proposed new limits for the level of PFAS in municipal drinking water, down from 20 parts

per trillion to four.² This is the lowest level that current technology can detect. We take the growing threat of water contamination seriously and provide filtration products that are certified to remove contaminants to well below the levels currently required by the EPA. For example, our Aquasential® Smart RO system has up to seven stages of filtration and is certified to reduce 59 contaminants, including lead, arsenic, pharmaceuticals, volatile organic compounds (VOCs) and PFAS.

We also have American National Standards Institute (ANSI)-certified products that are registered by the [Water Quality Association \(WQA\)](#) for reducing viruses and bacteria.

Removing microplastics

A report by the Pew Charitable Trusts found that in 2016, four sources of microplastics alone – microbeads in personal care products, fibers from synthetic textiles, plastic pellets and car tire fragments – accounted for 1.3 million metric tons, or 11%, of total ocean plastic pollution.³

Our products incorporate technology designed to remove such particulates. Our high-quality RO filters, for instance, can remove particulates as small as 0.0001 microns – typical microplastics are around 50 microns.

Industry councils

Culligan is a member of [The Water Council](#), a nonprofit organization dedicated to solving critical global water challenges by driving freshwater innovation and advancing water stewardship. By using its resources and relationships, The Water Council allows us to show leadership in the Great Lakes Region by continuing to advance our water stewardship journey.

In addition, Culligan is a member of the [Water Quality Association \(WQA\)](#), a nonprofit association for the residential, commercial and industrial water treatment industry. Working with more than 2,500 organizations to improve water quality, our membership offers access to industry information and news, training programs, tools, events and networking opportunities.



Mitigating climate change

Knowing our products are relevant in the fight against climate change, we have a strong desire – and a responsibility – to do what we can to reduce our impact on the natural world. Our products allow consumers to reduce their greenhouse gas (GHG) emissions from single-use plastic consumption and energy use.

Creating a baseline

Our first step on our carbon reduction journey, was to quantify both our direct and indirect carbon emissions. Carbon accounting provides consistent, comparable and transparent information that helps us track progress and benchmark performance against our peers. But it's more than just an audit exercise. It also satisfies investors, answers stakeholders' questions and helps us meet a wide range of standards and regulations.

We undertook an intensive carbon collection and analysis exercise during 2021 and 2022 to fully document and understand our global carbon footprint.

This now serves as a baseline against which each of our business units will measure efforts to reduce absolute GHG emissions every year.

Calculating our carbon footprint

At Culligan, we use [Emitwise](#) to help calculate and report our GHG emissions. Our emissions are measured in carbon dioxide equivalents (CO2e), using the [Greenhouse Gas Protocol](#) carbon accounting methodology.

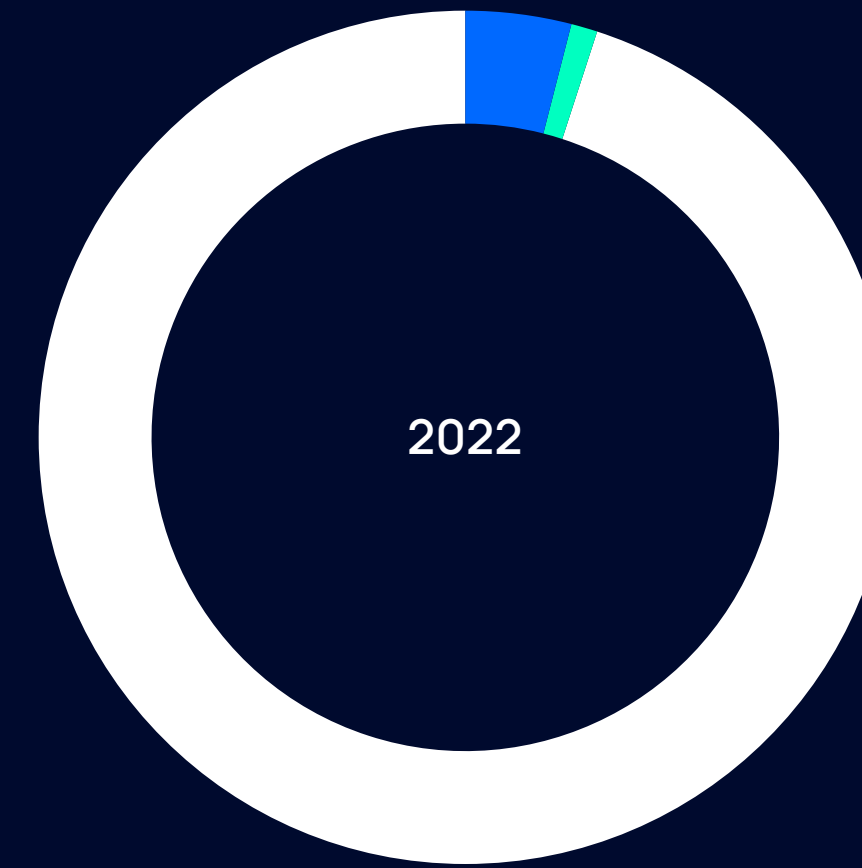
Emitwise, a [Carbon Disclosure Project \(CDP\)](#) Gold-accredited partner, combines AI technology with a proprietary set of emission factor databases to deliver accurate, auditable and actionable results. These results are quality assured, giving us confidence in them when making reduction decisions and reporting progress.

Acting to reduce emissions

Through the [2015 Paris Agreement](#), world governments committed to limiting the rise in global temperatures to well below 2°C above pre-industrial levels, and to pursuing efforts to limit warming to 1.5°C. If society is to meet the 1.5°C goal, global GHG emissions will need to halve by 2030 and drop to net zero by 2050.

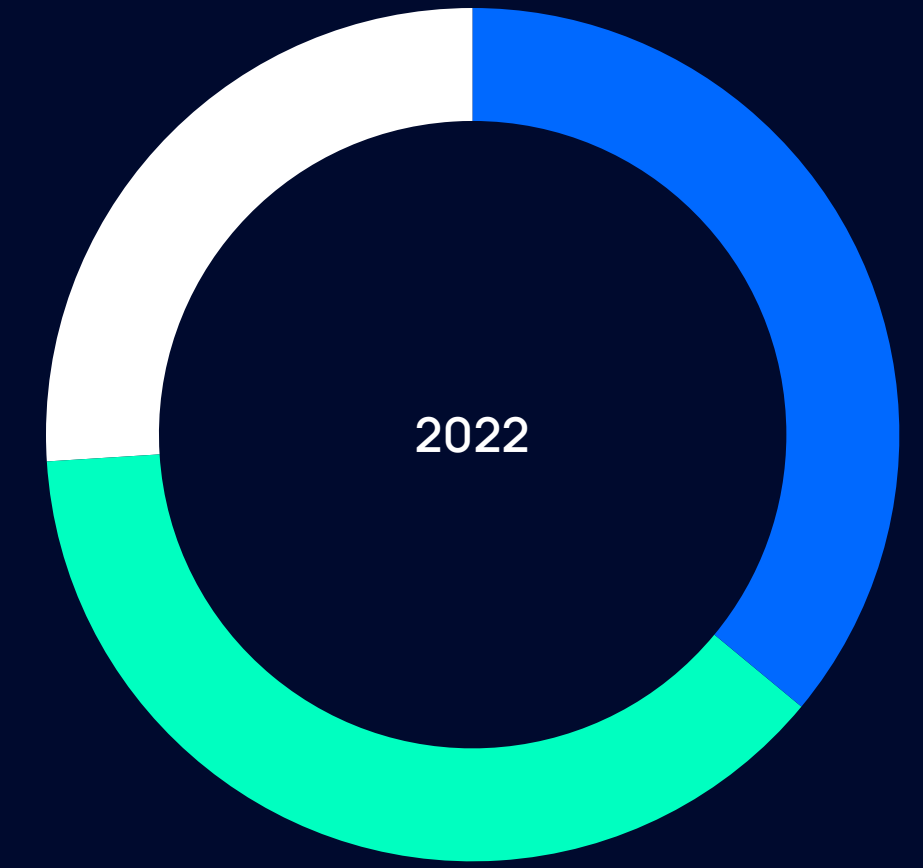
We are now assessing a range of mitigation models and carbon reduction commitments, and exploring the resources we will need to reduce emissions in line with current climate science.

Culligan emissions by scope



- 4% Scope 1
- 1% Scope 2
- 95% Scope 3

Culligan emissions by region



- 36% Americas¹
- 38% EMEA²
- 26% APAC³

Our reduction efforts

We continue to make progress in reducing our carbon emissions through initiatives such as switching to renewable energy and electrifying our vehicle fleets. We also encourage our business units to focus their own efforts on a number of emissions reduction projects.

Aqua Alpina embraces renewable energy

Aqua Alpina in the Austrian Alps reflects our commitment to sustainability with expertise, passion and enthusiasm. Part of the Culligan family since 2019, the company offers bottle-free coolers, 5 gallon bottled water coolers and Multi functional taps for both homes and offices.

In recent years, Aqua Alpina has designed or adapted its operations with the environment in mind. For example, during 2022, it invested in 21 fully electric vehicles (EVs), which now make up 25% of its fleet. By the end of 2023, that share will increase to 40%.

To further reduce energy use and emissions, Aqua Alpina has implemented a centralized routing system, which calculates the most efficient routes and locates the nearest charging stations.

While Austria’s public charging points use renewable energy sourced from hydropower, Aqua Alpina wanted to charge its EVs on-site. Thanks to the installation of solar panels in 2022, its Source Thalheim production facility now produces 200,000 kWh of renewable energy each year – enough to power its bottle-cleaning processes as well as charge its entire fleet of EVs.

Since March 2023, the company’s water refill plant has been entirely reliant on solar energy too, ensuring that the cleaning, refilling and delivery of its water is now 100% emission-free.

Zip leads the charge on EVs

One way we are making progress in reducing our carbon footprint is in the electrification of our fleets. For example, when service technician vehicles turn over, they are replaced with EVs where possible.

Our efforts to date have focused on rolling out EVs for Zip UK over the last three years. By mid-2023, around 53% of its fleet was electric.

We will continue to add EVs to our business units’ fleets around the world as the technology improves and the charging infrastructure is extended.



Working with the ESG team, we have brought real numbers and statistics to our carbon impact. Each job function has a part to play in reducing our impact on the environment, and I enjoy taking a leadership role in projects where I get to see us making a difference.”



Martin Murden
Project Management Officer, UK



Reducing waste

Waste pollution has become a major ecological issue. We are working to reduce the need for single-use plastics and find other ways to reduce our waste.

Culligan solutions allow consumers to turn things around by avoiding billions of plastic bottles from entering oceans and landfill every year.

Plastic: pollution & solution

Despite its many benefits – including strength, versatility and cost-effectiveness – plastic is a significant problem, mainly because of the amount of plastic waste that isn't recycled. If current trends continue, 12 billion metric tons of plastic will have been buried in landfill by 2050,¹ and it will take more than 450 years for items such as plastic bottles to biodegrade.² Much of the plastic we create today will end up as litter on our streets, in our countryside and, increasingly, in our waterways.

That's where our solutions come in. The very nature of our business – supplying sustainable water systems to homes and businesses – supports the reduction of single-use plastic. These products already avoid more than 40 billion single-use plastic bottles going into landfill every year or, worse still, polluting our planet.

Reducing, reusing & recycling in Europe

In Poland, to help keep waste out of landfill, our Oasis business has focused on addressing the number of wooden pallets damaged during transportation. To reduce this waste stream, the company – a leading water cooler manufacturer – invested in training and tools so that its employees could repair the pallets themselves. This solution keeps the pallets in use for longer, reducing both waste and costs. In 2023, to develop another low-waste strategy for protecting its products, Oasis is replacing plastic bubble wrap with cardboard filler recycled from used boxes.

Meanwhile, in Austria, Aqua Alpina has started to reuse its 19-liter water jugs. Once a customer has finished with a jug from their bottle cooler, they can return it for sanitization and refilling. Each jug can be used around 16 times a year, giving it an average lifespan of around four years.

Zip sponsors Ocean Impact award

For the past two years, Zip Water has partnered with Ocean Impact Organisation (OIO) to support their mission to improve the health of the ocean. Each year, Zip Water has contributed \$30,000, which sponsors the Plastic Pollution Spotlight Award, a global initiative which aims to accelerate startups that are working on transformative solutions to improve ocean health by reducing plastic waste.

In 2022, an independent panel awarded the Plastic Pollution Spotlight Award to Better Packaging Co., recognizing the impact of its POLLAST!C range, which is considered to be the lowest-carbon packaging commercially available. It is made using 100% recycled plastic retrieved from our oceans from coastal communities. Beginning in 2023, Zip Water has since implemented this sustainable packaging into their business.

Biodiversity & nature

Through a number of key collaborations and initiatives, we are working to protect nature, preserve biodiversity and restore natural ecosystems, both at our facilities and in the communities in which we operate.

Caring deeply about biodiversity and nature is a fundamental part of our purpose. We will continue to increase our focus in this area, in line with our strategy and relevant reporting frameworks.

Preventing deforestation

During our merger in late 2022, Culligan and Waterlogic honored our newly combined workforce by partnering with One Tree Planted. This organization is dedicated to conservation through tree-planting and uses every dollar donated to combat deforestation.

Through the initiative, we donated 10 trees per employee for planting, with each employee choosing their preferred region. Together, we contributed a total of 117,940 trees to worthy reforestation projects across the world.

When all our trees have matured, they are expected to sequester more than 2.5 million pounds of carbon each year, helping clean the air and protect the environment for many years to come.

Total number
of trees Culligan
planted

117,940



Our people

Our continued success relies on the talent and dedication of our employees. We're committed to creating a culture of equity and opportunity, and celebrating and amplifying diversity. We also prioritize community engagement and are committed to positive impact in the places we live and work.



Committed to our people

Our people – a team of more than 12,700 employees globally – are at the heart of all we accomplish. Our success, as people and as an organization, hinges on the commitment we make to treating each other with respect.

We hold ourselves accountable in our interactions with each other and our communities.

One Culligan: our talent practices

The thousands of talented people in our organization make us who we are. And the more we can support and develop them, the more we'll be able to impact lives and protect the environment.

To continue delivering exceptional results, we're working to attract the very best people. We have a globally connected human resources community that shares best practices and replicates excellence.

Our recruitment processes are designed to attract, hire and retain a diverse, collaborative and diligent workforce. These include:

- Having a diverse slate of candidates for critical business roles so that our team reflects a wide range of cultures, backgrounds and experiences
- Offering employees anti-bias training, helping us all be more welcoming and aware of our shortcomings in everyday conversations
- Providing a diverse panel of Culligan employees to engage with candidates during the recruitment process

We have numerous additional local initiatives such as pay parity studies, mental health and wellness programs, and menopause policies.

Benefits & compensation

As a global business with employees in more than 30 countries, our compensation packages vary regionally and nationally, in line with local circumstances, cultures and requirements. Across the board, we support our employees with health insurance, employee assistance programs, retirement and pension plans, parental leave, tuition discounts and flexible working arrangements.

A combined century at Culligan

Two employees at our Libertyville, Illinois, plant – Randy Schneider and Mike Walsh – each celebrated 50 years of service at Culligan in 2022. Randy manages special equipment orders from dealerships, while Mike works on the service desk as our in-house technical support specialist.

Retaining such skilled and experienced talent helps our business operate more efficiently and sustainably. For example, Mike has earned a reputation with dealers and licensees as the ultimate expert in finding obscure parts, prolonging the life of even the oldest equipment and reducing waste.



Leadership development

Learning and development is a career-long process, and enriching the personal and professional experiences of our colleagues around the world is of the utmost importance at Culligan.

In North America, for example, we design our Growth Leadership Program to develop our high-potential leaders of tomorrow. It prepares participants to embrace the risks and opportunities that accompany people entering new leadership roles, empowering them to reflect on their own leadership capacity, share knowledge with other leaders and be challenged with stretch assignments defined by individual development plans.

We also have an internal knowledge database, Culligan University, which we use to support the ongoing development of our people around the world. It contains hundreds of development courses, from onboarding programs to manager learning paths.

Tailored programs for diverse senior leaders

Our commitment to diversity and career development is illustrated by the Advent Leadership Academy. One of our investors, Advent International, sponsors the program – running since April 2021 – in collaboration with Harvard Business School.

We nominate high-performing leaders to take part in the tailored leadership program alongside other talented women, people of color and those who identify as LGBTQ+ from companies across Advent's portfolio.

Those selected benefit from access to some of the world's most renowned business thinkers. Their participation also enhances their business skills, builds strong relationships and fosters insights they bring back to Culligan to benefit others.



I am happy to provide leadership for an organization that focuses on the customer experience and the communities where our team members live and work, and introduce new team members to our mission to help elevate the global conversation, education and solutions in this space."



Stefanie Showell-Jones
VP, Human Resources, Quench



Culligan offers each employee eight hours of volunteer time in North America. Our employees make use of this policy by volunteering across the world, including the Chicago beaches of Lake Michigan, shown here.

Engaging our employees

Culligan regularly solicits and takes seriously the views of colleagues to ensure the organization is continuously improving. As well using emails, our employee intranet and quarterly ESG newsletters to communicate, we deploy surveys to gain vital insights into the views of our workforce.

A companywide survey in 2021 achieved a global engagement score of 81%. Exploring areas such as health and wellbeing, DEI and sustainability as well as employee satisfaction, the survey returned strong, positive results in empowerment, safety, sustainability, working

relationships and more. It uncovered areas for improvement in career development and customer service. As a result, we are increasing efforts to build more growth opportunities and to better use technology within Culligan.

In addition, our business units perform shorter, more regular "pulse" surveys to assess employee sentiment on important topics. In 2022, these told us that our employees continue to feel strongly about the overall strategy, direction and leadership at Culligan.

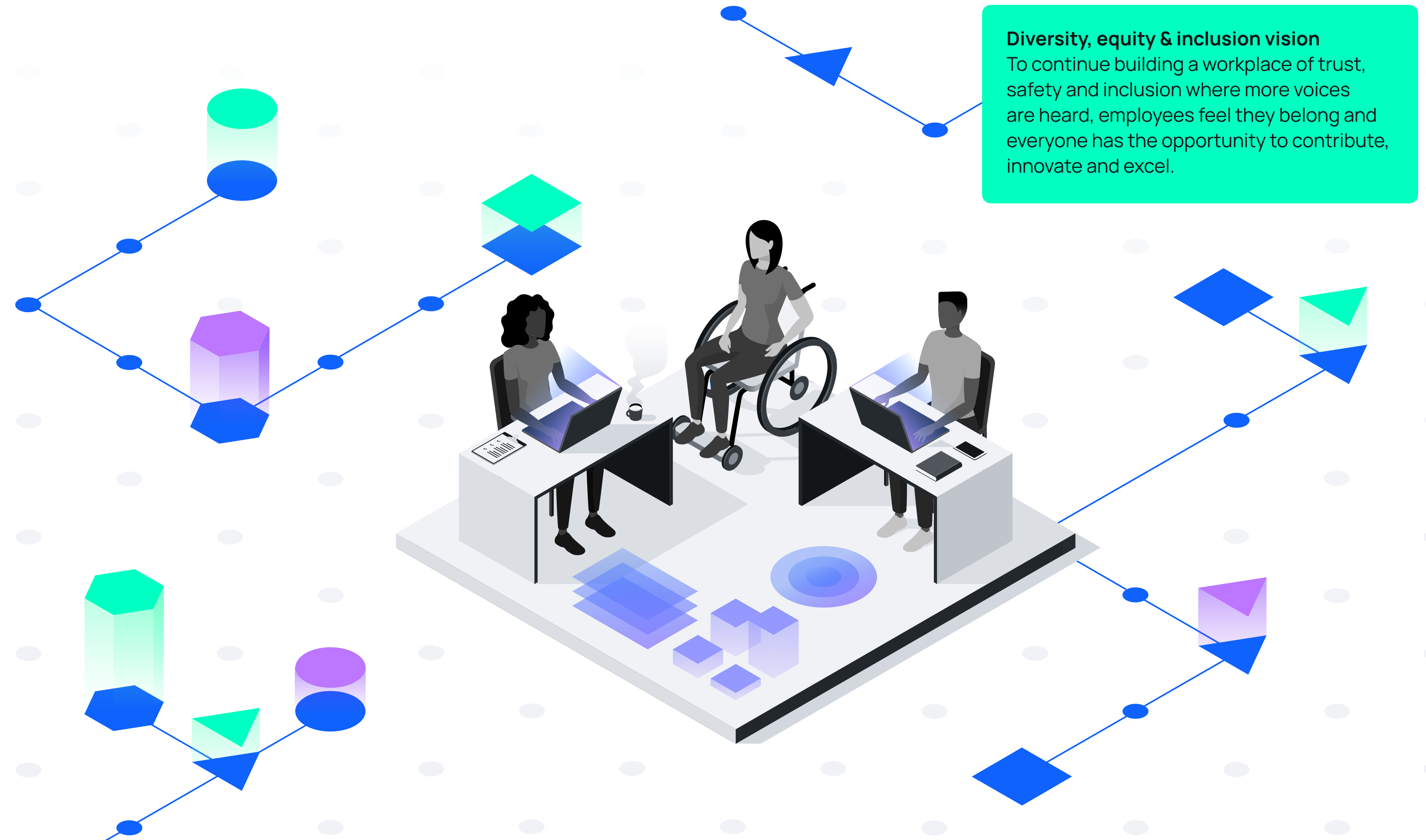
Our diversity, equity & inclusion journey

Embedding diversity, equity and inclusion (DEI) into our practices and daily interactions is one of our highest priorities.

We're striving to create a respectful culture and inclusive workplaces that encourage each individual to celebrate the difference of others and bring their true selves to work.

We welcome everyone, regardless of culture, race, ethnicity, age, gender, sexual orientation, gender identity or physical capability. Having a diverse workforce allows us to benefit from people's different backgrounds, experiences, skills and perspectives, and to better reflect and understand the communities we serve.

We're committed to taking accountability for where we are and where we aspire to be, and ensuring we make all our employees feel safe, respected and valued. We are also committed to transparency.



Our approach to DEI

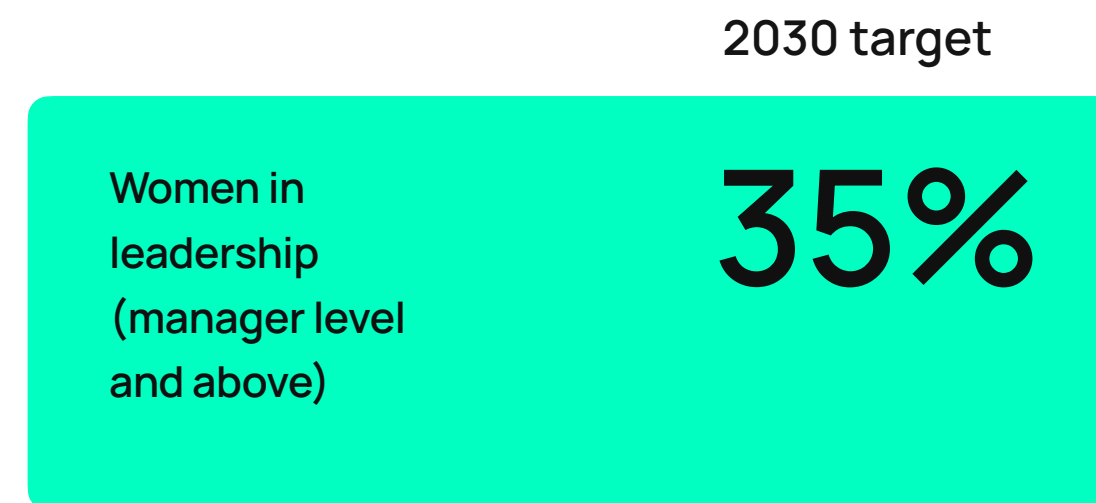
We're determined to promote equity and non-discrimination across our organization and become more representative of the communities in which we live and work. In 2020, we made a commitment to increase the presence of both women (globally) and ethnic/racial diversity (in the United States) in leadership roles to 25% by 2025. We successfully achieved our target, but we are committed to taking our commitment to inclusive leadership one step further. Having succeeded both goals, we're taking next steps with new ambitious targets to hire more women and ethnic/racial minorities.

Our strategy to increase diversity has seen us continue to recruit women into key leadership roles while the percentage of ethnic/racial minorities in our U.S. management team has doubled since 2013 to 21%.

To help us meet these goals, interview slates for all managerial vacancies must include at least two women and/or ethnic/racial minority candidates. We provide our senior leaders with unconscious bias training.

Our approach also involves helping all employees appreciate and respect what others may be experiencing. This includes year-round communications that promote awareness and understanding of those celebrating religious festivals such as Diwali or fasting during the holy month of Ramadan. The feedback we had from employees suggests they really appreciated the insight into the significance of these and other celebrations.

Led by our chief human resources officer with support from a multifunctional global DEI Council, we report the progress of our DEI program to the Board of Directors each year.



Reconciliation Action Plan in Australia

In 2022, Zip Water ANZ undertook the necessary steps to develop a [Reconciliation Action Plan \(RAP\)](#), which forms an important part of Zip's commitment and contribution to Australia's journey of reconciliation, including acknowledging the pain, disparity, inequality and injustices Aboriginal and Torres Strait Islander peoples have experienced and its ongoing impact. Based around the core pillars of relationships, respect and opportunities, RAPs are phased in four stages: Reflect, Innovate, Stretch and Elevate.

Zip's Reflect RAP was accredited by Reconciliation Australia in late 2022 and will be implemented throughout 2023. This will see Zip develop relationships with Aboriginal and Torres Strait Islander stakeholders, commit to the vision for reconciliation and explore and understand their sphere of influence. The plan, overseen by Zip's RAP Champion and supported by a Zip employee working group that includes Aboriginal and Torres Islander members, will involve activities that bring together Aboriginal and Torres Strait Islander employees and other stakeholders within business and the community.



We're proud to be taking active steps toward reconciliation, elevating our commitment to Aboriginal and Torres Islander peoples through our RAP. The RAP will see us promote cultural learning opportunities, review our HR policies and build a case for further Aboriginal and Torres Strait Islander employment at Zip. This is an important example of Culligan being locally accountable, listening, learning and taking action as necessary."



Louise Crawshaw
Director of Human Resources,
Culligan APAC and RAP Champion

Supporting women at Culligan and beyond

We're committed to developing an inclusive, open and equitable culture, and we work to accelerate gender equality, both within our business and externally.

We lead with many women engineers in key positions who ensure our products are designed and built to the highest standards. We marked the eighth United Nations International Day of Women and Girls in Science on February 11 by shining a spotlight on some of them, including an all-women team of engineers at our global HQ in Rosemont, IL, and women occupying key research and development (R&D) roles in China.

Valuing the energy, diversity and contributions of our female leaders, we established a global Women's Employee Resource Group (ERG) to advocate for and advance women in leadership roles within Culligan.

leadership within Culligan. The group connects through Teams chats, luncheons and women-led seminars to network, share achievements and promote the role of women at Culligan. Given its success, we are looking to create more ERGs in the future.

In Australia, Zip Water's Western Australian State Sales Manager, Hens Matthews, sits on the council of the [National Association for Women in Construction \(NAWIC\)](#), a not-for-profit organization that supports women in the construction industry. NAWIC has chapters all over Australia, connecting local members and encouraging them to expand their personal and business networks, keep up with industry developments, improve skills and support other women in a traditionally male-dominated industry.

“Our 5C values, coupled with our strong sense of purpose and commitment, help empower women in the workplace. We are committed to bringing gender equality and diverse perspectives to our everyday work at Culligan.”



Sheila Rutt
Chief Human Resources Officer



12,752

Employees in 30 countries

31%
Women globally

Community involvement

As a trusted provider of water on a global scale, we are well placed to help address some of the community issues surrounding water at source.

Working closely with our consumers and partners, we are revitalizing our philanthropic arm, Culligan Cares. Through this, we are increasing our community engagement, in line with our purpose of transforming water to impact lives and protect the planet for all.

Our global reach enables us to reach a large number of communities, while our localized operations provide us with valuable insights into the unique challenges facing each location.

Responding when it's needed most

We have a responsibility and a desire to be a good corporate citizen, using our resources to support those who need it most, as soon as it's needed. Throughout 2022, our employees and nonprofit partners have rallied around the communities in which they live and work, lending a helping hand when a natural disaster strikes or a conflict flairs up.

- Our dealer network came together to support eastern Kentucky communities hit by severe floods in July 2022.
- At the end of September 2022, after Hurricane Ian hit the southern United States, Culligan Cares collected \$100,000 to support employees affected by the disaster.

Employee-driven impact: Culligan Cares

Culligan Cares, our United States-based 501(c)(3) nonprofit arm, focuses our efforts to help individuals, families and communities access clean, safe water. In the last three years alone, we have donated more than 1 million servings of water – mostly to those affected by natural disasters and to first responders. Since its formation in 2005, we have donated more than \$400,000 to social good causes.

Targeted toward locations where our employees are, these programs strengthen local communities, provide drinking water to those who lack access to safe supplies and support relief efforts after natural disasters. Many of our initiatives are carried out in partnership with nonprofit organizations including Convoy of Hope, American Diabetes Association, Water Well Trust and World Concern. Such collaborations help us reach the communities where our help can have the greatest impact.

Our charitable and community work is overseen by the Culligan Cares Committee, a group of dealers and corporate advisors who also review requests for assistance and identify new opportunities. Our dealers raise around 99% of the funding for Culligan Cares initiatives.



Innovative solutions and out-of-the-box thinking lie at the heart of our organization. Leveraging our unique solutions, our nonprofit partnerships help us bring our purpose to life and bring long-lasting, positive impact to those who need it most."



Marta Axpe
Head of Innovation

Impact in action

We're well placed to leverage our expertise, global reach and network of partners to bring meaningful impact across the communities we touch. To bring us a step closer to achieving the inclusive, sustainable future we envision, we will continue to work alongside governments and charitable organizations to bring much-needed water solutions to remote communities.



Global impact starts locally. With extensive water expertise worldwide, Culligan is committed to being there for those in need, precisely when they need it most. We eagerly look forward to continuing our efforts in supporting communities and making a positive difference in their access to clean water and overall well-being."



Mark Taylor
President Northern Europe
Chief Commercial Officer, EMEA



Supporting the Ukraine crisis

We support the people of Ukraine amid the ongoing attacks on their country. Through Culligan Cares, we rallied employees and dealers to raise \$78,000 for the Ukrainian Relief Fund, and a further \$45,000 for [Wine to Water Ukraine Relief](#).



Water Angels supports Cambodian schoolchildren

Together with [1001fontaines](#), a French non-governmental organization that helps bring safe drinking water to remote locations, Culligan France created Culligan Water Angels in September 2020. Through this initiative, the company donates €2 to the charity for each water softener, fountain or dispenser it sells. That's enough to provide a child in Cambodia with clean water for a year.

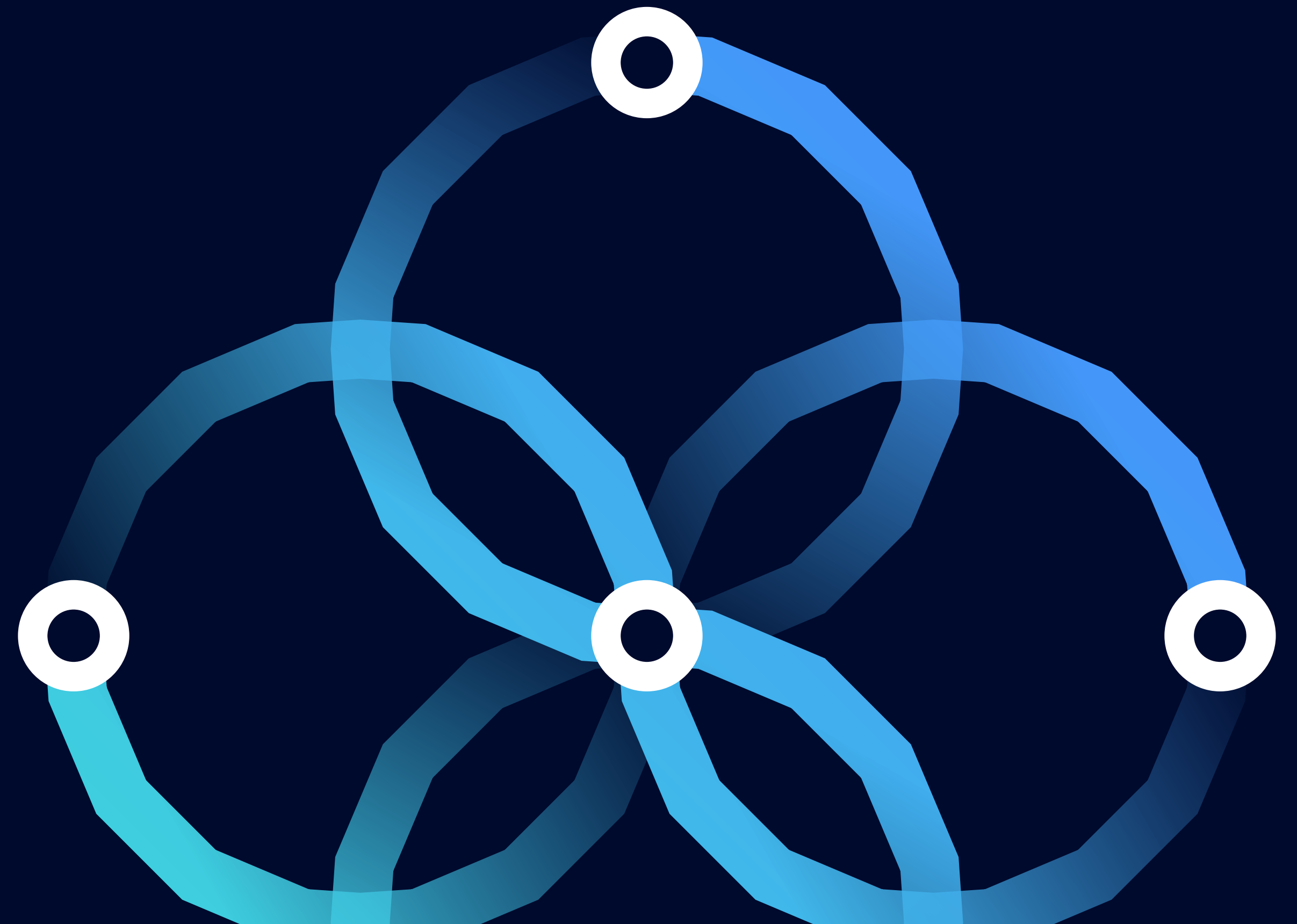


Bringing clean water to Bangladesh

One of our business units, Express Water, funded a clean water project in Bangladesh through a new partnership with [charity: water](#). The project involves a network of tap stands and interconnected pipelines, which use a combination of gravity, electricity and solar power to bring water directly to the distribution points.

Our practices

To continue being a force for good by providing clean, great-tasting water, we believe that how we operate is just as important as what we do. That's why we're committed to responsible business conduct, ethical practices and respectful actions, supported by policies and management systems that hold everyone at Culligan to the highest standards.



Corporate governance



It's great to see the commitment level to ESG across the company. The importance given to these issues from the top down shows how engrained ESG is in our culture and our purpose, and how our commitment to sustainability is translated to our customers and investors."



Andy Kellogg
Senior Vice President,
Corporate Finance,
Treasurer and Investor Relations

The execution of our ESG strategy requires strong governance.

Driving continual progress is no small feat and needs strategic oversight to effectively integrate ESG priorities into our operations.

That's why our leadership is committed to sound governance policies and practices that enable our business to operate responsibly, sustain long-term success and create shareholder value.

Leadership structure

The Culligan International Company Board of Directors, the highest decision-making body of the company, oversees our business strategy, safeguards company assets, and maintains appropriate financial controls and ensures compliance with all applicable laws and regulations.

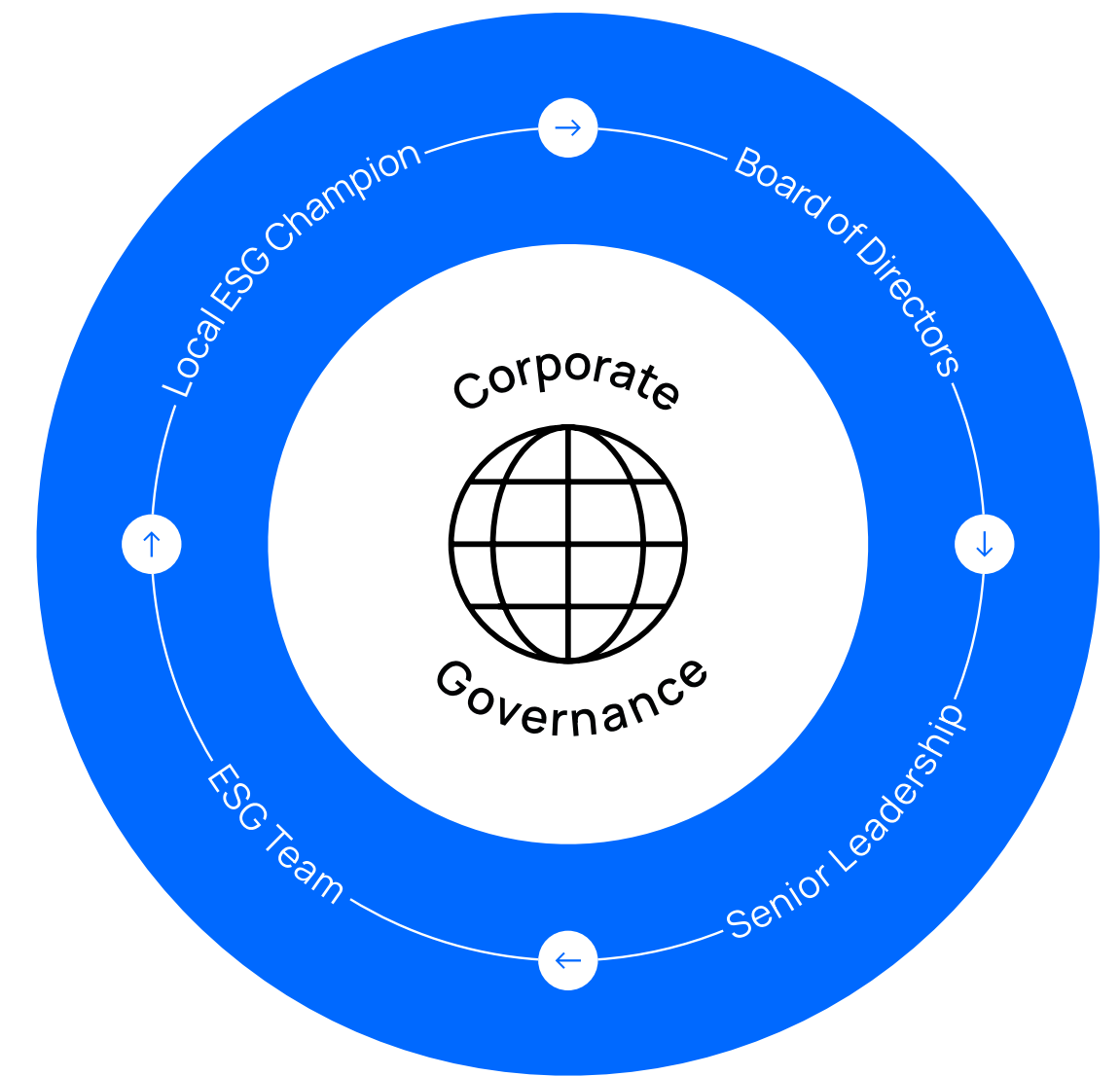
For certain functions, the Board delegates responsibility to its committees to help perform due diligence:

- Our Audit Committee assists Culligan in fulfilling its financial and other oversight responsibilities
- The Compensation Committee authorizes and supervises the review of the company's compensation and benefits

ESG governance

The Board has oversight of the company's ESG strategy, targets and overall vision. Every year, the Board meets with the cross-functional leadership team. This includes our senior vice president of corporate finance, treasurer and investor relations, who leads the ESG team, as well as our senior manager and manager, ESG. Our ESG team regularly collaborates across functions and maintains open communication with all employees, inviting them on our ESG journey as active participants to help turn our vision into reality. Additionally, our ESG governance approach advances our collective knowledge of the evolving ESG landscape.

Currently, a carbon accounting technology company, [Emitwise](#), helps calculate and report our GHG emissions. We intend to extend the governance of our reporting by providing third-party assurance for all our ESG data in the future.



Integrity & ethics

Given the global scale and size of our organization, operating with integrity requires a collaborative effort from each and every employee.

At Culligan, we embody this dedication every day by bringing our purpose, vision and values to life. To remain a market leader in the water business, must to lead by example, maintain high standards and conduct our business in an open and ethical manner. These are key components in building on our reputation for excellence and integrity.

Anti-discrimination

Discrimination has no place in our “Culligan as one” mentality. We embrace the diverse perspectives and experiences of our employees, we collaborate and learn from others, and we’re committed to maintaining a work environment in which everyone should be treated – and should treat each other – with dignity and respect.

Across the organization, we remain committed to compliance with legislation that forbids unlawful employment discrimination or harassment based on an individual’s actual or perceived age, ancestry, citizenship, color, creed, disability, gender identity, marital status, national origin, nationality, parental or familial status, pregnancy,

race, religion, sexual orientation, genetic information, veteran status or other characteristics protected by federal, state or local law.

We will continue to assess and revise our Code of Business Conduct as we grow to ensure that ethics and integrity continue to underpin everything we do.

Code of Business Conduct

Our Code of Business Conduct – approved by Culligan’s Board of Directors – outlines our basic standards of behavior, such as respecting one another, acting ethically, and speaking openly and honestly. Through the Code, we seek to increase our employees’ awareness and understanding of ethical issues and emphasize our commitment to complying with the applicable laws in our many markets.

The Code also informs employees about how to report known or suspected unethical or illegal behavior, without fear of retaliation.

Reporting concerns and violations

Part of having the “Courage to do what is right” is being able to have tough conversations. That’s why we provide a platform for employees to raise concerns, so we can make sure that we’re doing right by everyone at Culligan.

Addressing any concerns that arise quickly, respectfully and confidentially is a top priority. Our employees can report their

suspensions to their supervisor or manager, or to our Human Resources, Legal or Environmental Health & Safety Compliance teams. We also provide round-the-clock access to EthicsPoint, a confidential reporting tool hosted by an independent third party, NAVEX, to encourage reporting without retaliation.

As part of managing our business in a socially and environmentally responsible way, we respect and protect human rights, dignity and integrity throughout our business.

According to the International Labour Organization (ILO), more than 49 million people worldwide – many of them children – are victims of modern slavery.¹ This covers practices such as forced labor, child labor and human trafficking.

We acknowledge that modern slavery risks exist in any complex supply chain, particularly where raw materials are procured by sub-tier suppliers. To help identify and mitigate these risks, we frequently audit our key suppliers, covering issues including ethics, bribery, modern slavery and human rights. Suppliers also need to complete detailed questionnaires on their practices and policies, and new potential suppliers are vetted and audited by our supply and quality teams.

Some of our business units, such as Zip Water, have set out their actions and expectations in a [Modern Slavery Statement](#) ↗.

Risk management

Our executive leadership team oversees risk management at Culligan, focusing on identifying and mitigating the most significant risks our business faces.

In part, responsibility is discharged to the Audit Committee, which regularly reviews and discusses an assessment of our risk profile. This includes reports on strategic, operational, financial, cybersecurity, and legal and regulatory compliance risks – both current and emerging. The committee reports to the Board every quarter.

Policies & training

We conduct annual ethics training across our business units as well as anti-bribery training for all key roles. We also offer anti-corruption training to many employees, and specifically to those in functions that make them susceptible to corruption. This training covers ethical principles and global bribery laws.



Strong supplier relationships

We strive to build long-lasting relationships with the suppliers we rely on for a wide range of materials, components and services.

These relationships are critical for maintaining the quality, availability, affordability and sustainability of our products.

Supplier engagement

We care about maintaining the highest ethical and sustainability standards in our supply chain, and our business units regularly engage with their suppliers to meet those standards.

We operate with a risk-based approach to supply chain management. Supplier requirements, such as maintaining effective privacy and cyber-security practices and abiding by human rights regulations, are currently managed at the business unit level.

We are working toward a more centralized model, which will enable us to optimize and synchronize the responsible sourcing of strategic commodities and mitigate supply chain risks. We have also

invested in technology that will help us look at supply chain spend, consolidate our supplier base and streamline our inventory.

In addition, we are developing a global Supplier Code of Conduct. This will be aligned with international legislation and frameworks, including the [UN Global Compact](#), the [ILO](#) and the [UK Modern Slavery Act](#).

Engagement in action: Zip Water

As part of a strategic procurement program, all of Zip Water's suppliers are required to meet the requirements described in its Supplier Manual. This document includes a Supplier Code of Conduct, which sets out its expectations of suppliers and business partners with regard to ethical, legal, environmental and socially responsible operations, as well as an ethical compliance questionnaire.

The Code covers quality management systems, ongoing performance reviews, product compliance, corrective action and supplier development. Zip Water also expects its suppliers to cascade these requirements down through their own supply chains.

We are looking at enforcing an anti-corruption policy with our suppliers in the future.

2030 targets



We're focused on working with the best suppliers around the world and holding them to the same sustainability, ethical and human rights standards that we do at Culligan. We continue to make strides to increase these efforts and work more closely with our suppliers to get Culligan to achieve our own goals."



Lisa Stenglein
Senior Vice President, Procurement and Supply Chain

Labor, health & safety

The health, safety and well-being of our employees is a top priority and embedded in our company values.

Year over year, we strive to improve safety at all our sites, and everyone at Culligan is expected to commit to and deliver on our safety goal – zero accidents, zero injuries and zero violations – every single day. It’s of the utmost importance that our employees feel empowered to speak up on workplace health and safety issues.

Forging strong labor relations

We believe that it’s important that all employees have a voice and are heard. This holds our senior executives accountable and helps make the employee experience better for everyone. For example, strong relationships with our union partners provide valuable opportunities for our employees to offer input into decisions about our processes, especially on issues such as safety and quality. We recognize and respect every employee’s right to form or join a labor union, or refrain from doing so, without fear of reprisal, intimidation or harassment. And where employees are represented by a legally recognized labor union, we fulfill our bargaining obligations as defined by the law.

Prioritizing health & safety

At Culligan, workplace health and safety is priority No. 1. We want everyone working at a Culligan site to return home safe and sound, every single day. And now that we have adopted a more hybrid working model, we have extended our duty of care to include ergonomic self-assessments of home workspaces.

Responsibility for health and safety lies with the management team of each business unit. Some of these business units have specific Environment, Health and Safety (EHS) managers or other safety professionals to oversee the health, safety and wellbeing of everyone who works at or visits their sites.

Our work in this area involves complying with all relevant global, regional and local standards, laws and regulations; distributing safety gloves and boots to relevant employees; and using machine automation for conducting repetitive tasks to reduce the risk of cumulative trauma injuries.

As a business that manufactures and transports products, we require employees to attend a range of relevant training courses to keep them safe when going about their daily work. In 2022, these included forklift driving, defensive driving and responsible cell phone use while on the road.



Total recordable incident rate

1.1

Data privacy & cybersecurity

We have robust policies and processes in place to manage data and information, protecting our employees, customers, consumers, suppliers and business.

Our approach to data privacy & protection

We work diligently to ensure that all systems and applications that store customer and supplier data require strong passwords and implement multi-factor authentication to prevent unauthorized access. We also keep all software and systems refreshed with the latest security patches and updates to reduce the risk of vulnerabilities being exploited. We only grant access to customer and supplier data to employees who require it to perform their jobs.

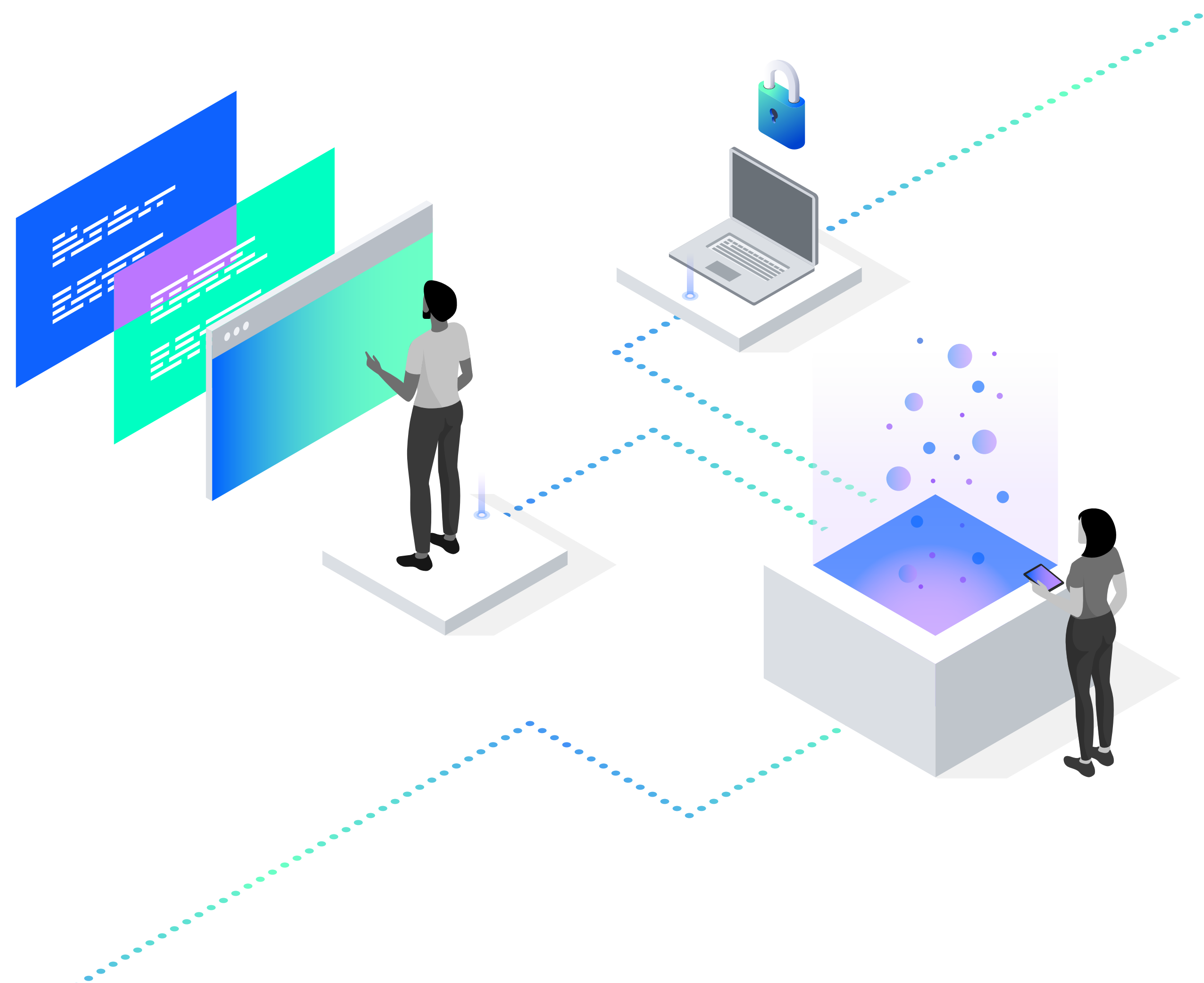
Data security training & audits

We train all global employees on data security best practices. These sessions include how to identify and avoid phishing attacks and other common security threats.

We also conduct regular security audits to identify and address any vulnerabilities or weaknesses in the systems and processes we use to handle customer and supplier data. Our Security team performs a yearly penetration test and tabletop exercises to find gaps and increase our ability to avert potential cyber risks. These exercises supplement thorough assessments by independent third-party stakeholders.

Our senior director of cybersecurity, along with our Legal and Audit teams, reviews our data privacy practices and continuously works to enhance and expand the scope of our internal tools and external monitoring services. Together, these colleagues also make sure the policies and tools we use to capture and protect data align with all privacy regulations, including the [General Data Protection Regulation \(GDPR\)](#) [↗] in Europe, and the [California Consumer Privacy Act \(CCPA\)](#) [↗].

As technological and regulatory landscapes continue to evolve, we're committed to refining our approach to data privacy and cybersecurity. This will help ensure that Culligan is equipped with best-in-class practices that safeguard our customer and supplier data.



Indexes

- 54 GRI index
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- 66 Sources & hyperlinks

GRI index

Culligan has reported the information cited in this GRI content index for the period January 1, 2022 through December 31, 2022 with reference to the GRI Standards.

GRI 1: Foundation 2021

GRI Standard	Disclosure	Location	
GRI 1: Foundation 2021	2-1 Organizational details	Culligan International Company Majority ownership by, investment funds affiliated with BDT & MSD Partners Rosemont, IL Who we are Where we are	
	2-2 Entities included in the organization's sustainability reporting	About this report	
	2-3 Reporting period, frequency and contact point	About this report	
	2-4 Restatements of information	About this report	
	2-5 External assurance	External assurance was not prepared for this report. Corporate governance	
	2-6 Activities, value chain and other business relationships	Who we are, Our solutions	
	2-7 Employees	Index 1	
	2-9 Governance structure and composition	Corporate governance	
	2-11 Chair of the highest governance body	Scott Clawson, Chairman and CEO	
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate governance	
	2-13 Delegation of responsibility for managing impacts	Corporate governance	
	GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	Corporate governance
		2-16 Communication of critical concerns	Integrity & ethics

GRI index continued

Culligan has reported the information cited in this GRI content index for the period January 1, 2022 through December 31, 2022 with reference to the GRI Standards.

GRI 1: Foundation 2021

	2-22 Statement on sustainable development strategy	A letter from our CEO Our ESG strategy
	2-23 Policy commitments	Integrity & ethics Risk Management
	2-24 Embedding policy commitments	Integrity & ethics
	2-25 Processes to remediate negative impacts	Integrity & ethics
	2-26 Mechanisms for seeking advice and raising concerns	Integrity & ethics
	2-27 Compliance with laws and regulations	No incidences
	2-28 Membership associations	Culligan has membership of various organizations that strategically influence our business operations and ESG Program. Throughout this report, we make reference to some of these organizations including Business for Social Responsibility, United Nations Global Compact, Water Resilience Coalition, CEO Water Mandate and Water Quality Association.
	2-29 Approach to stakeholder engagement	Our materiality process
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Our materiality process
	3-2 List of material topics	Materiality results
	3-3 Management of material topics	Our ESG strategy
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No legal actions.
	302-1 Energy consumption within the organization	Index 2 Mitigating climate change

GRI index continued

Culligan has reported the information cited in this GRI content index for the period January 1, 2022 through December 31, 2022 with reference to the GRI Standards.

GRI 1: Foundation 2021

GRI 302: Energy 2016	302-2 Energy consumption outside of the organization	Index 2 Mitigating climate change
	302-3 Energy intensity	Index 2 Mitigating climate change
	302-4 Reduction of energy consumption	Index 2 Our reduction efforts
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Effective water stewardship
	303-4 Water discharge	Index 3
	303-5 Water consumption	Index 3
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Index 2 Mitigating climate change
	305-2 Energy indirect (Scope 2) GHG emissions	Index 2 Mitigating climate change
	305-3 Other indirect (Scope 3) GHG emissions	Index 2 Mitigating climate change
	305-4 GHG emissions intensity	Index 2 Mitigating climate change
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Reducing waste
	306-2 Management of significant waste-related impacts	Reducing waste
	306-3 Waste generated	Index 3

GRI index continued

Culligan has reported the information cited in this GRI content index for the period January 1, 2022 through December 31, 2022 with reference to the GRI Standards.

GRI 1: Foundation 2021

	306-4 Waste diverted from disposal	Index 3
	306-5 Waste directed to disposal	Index 3
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Index 1
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Committed to our people
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Labor, health & safety
	403-2 Hazard identification, risk assessment, and incident investigation	Labor, health & safety
	403-3 Occupational health services	Labor, health & safety
	403-4 Worker participation, consultation, and communication on occupational health and safety	Labor, health & safety
	403-5 Worker training on occupational health and safety	Labor, health & safety
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	Index 1
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Index 1
	405-2 Ratio of basic salary and remuneration of women to men	Index 1
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Integrity & ethics
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Integrity & ethics

GRI index continued

Culligan has reported the information cited in this GRI content index for the period January 1, 2022 through December 31, 2022 with reference to the GRI Standards.

GRI 1: Foundation 2021

GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	100% of significant product and service categories for which health and safety impacts are assessed for improvement
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Zero incidents of non-compliance with regulations concerning health and safety impact of products and services. Designing for sustainability

SASB index

Based on Chemicals, Household Personal Products, Industrial Machinery Goods, Professional Commercial Services, and Non-alcoholic Beverages

Topic	Accounting metric explanation	Accounting metric	Unit of measure	Code
Water Management	(1) Total water withdrawn, (2) total water consumed, % of each in regions with High or Extremely High Baseline Water Stres	Index 3	Thousand cubic meters (m ³), Percentage (%)	CG-HP-140a.1 and RT-CH-140a.1
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	No incidents	Number	RT-CH-140a.2
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Effective water stewardship	n/a	CG-HP-140a.2 and RT-CH-140a.3
Energy Management	(1) Total energy consumed, (2) percentage grid, electricity, (3) percentage renewable	Index 2	GJ, %	RT-IG-130a.1
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Index 2	Metric tons (t) CO ₂ e,	RT-CH-110a.1
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Mitigating climate change	n/a	RT-CH-110a.2
Employee Health and Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	(1) 1.1 (2) 0 (3) N/A	rate	RT-IG-320a.1
Workforce diversity and engagement	Percentage of gender and racial/ethnic group representation for (1) executive management and (2) all other employees ³	Index 1	Percentage (%)	SV-PS-330a.1
	(1) Voluntary and (2) involuntary turnover rate for employees	Index 1	Rate	SV-PS-330a.2
	Employee engagement as a percentage	81% global engagement score Committed to our people	Percentage (%)	SV-PS-330a.3
Community Relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	Community involvement	n/a	RT-CH-210a.1
Data Security	Description of approach to identifying and addressing data security risks	Data privacy & cybersecurity	n/a	SV-PS-230a.1
	Description of policies and practices relating to collection, usage, and retention of customer information	Data privacy & cybersecurity	n/a	SV-PS-230a.2

	Activity metric	Category	Location	Unit of Measure	Code
Employees	Number of employees	Quantitative	Index 1	number	RT-IG-000.B
	Number of employees by: (1) full-time and part-time, (2) temporary, and (3) contract	Quantitative	Index 1	Number	SV-PS-000.A

TCFD index

In accordance with TCFD recommendations, we disclose information on four areas (governance, strategy, risk management, metrics and targets) in relation to risks and opportunities from climate change.

Disclosure recommendations	Response
Governance	
Describe the board oversight of climate-related risks and opportunities	Corporate governance
Describe management's role in assessing and managing climate-related risks and opportunities	Corporate governance
Strategy	
Describe the climate-related risk and opportunities the organization has identified over the short, medium, and long term	Our ESG strategy
Describe the impact of the climate-related risks and opportunities on the organization's business, strategy, and financial planning	The continued shift of water consumption from single-use plastic toward sustainable water solutions has been, and will continue to be, an accelerator for company performance. Culligan's strategy is anchored on the ability to serve everyone clear, safe, sustainable water to everyone, everywhere.
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Mitigating climate change
Risk Management	
Describe the organization's processes for identifying and assessing climate-related risks	We identify risks through a materiality assessment and comprehensive, global collection of our carbon inventory. We use data to understand what is driving our carbon emissions globally and how to improve them through science-based modeling. Additionally, through our LCA tools, we understand the areas where our products provide positive environmental impacts and our product innovation can drastically improve our carbon footprint.
Describe how processes for identifying, assessing, and managing, climate-related risks are integrated into the organization's overall risk management	Corporate governance
Metrics and Targets	
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Index 2
Disclose scope 1; scope 2; if appropriate, scope 3 GHG emissions and related risks	Index 2
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Our reduction efforts

Index 1: HR

Data self-reported by Culligan business units

Disclosure 2-7	LATAM		EMEA*		APAC**		U.S. and Canada	
	Female	Male	Female	Male	Female	Male	Female	Male
Total number of employees	385	557	2101	4834	426	624	1156	2484
Permanent employees	380	556	2020	4755	415	607	1142	2468
Temporary employees	5	1	81	78	11	17	14	16
Full-time employees	382	557	1708	4570	384	598	1135	2455
Part-time employees	3	0	377	110	40	25	7	13

*154 additional male and 16 female EMEA employees without FT/PT status given

**15 additional employees with no designation of FT/PT

Disclosure 401-1	LATAM		EMEA*		APAC		U.S. and Canada	
	Female	Male	Female	Male	Female	Male	Female	Male
Total number of new employees hired in 2022	127	123	510	1052	79	110	522	1066
Total rate of new employees hired in 2022	51%	49%	33%	67%	42%	59%	32.87%	67.13%
Total number of employee turnover in 2022	44	38	553	1324	55	126	301	720
Total rate of employee turnover in 2022	4.3%	3.6%	3.80%	9.20%	1.9%	4.5%	29.48%	70.52%

*149 or 1.1% of EMEA employee turnover do not provide gender.

Disclosure 401-1	LATAM			EMEA*			APAC**			U.S. and Canada		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Total number of new employees hired in 2022	51	83	8	440	681	194	64	94	30	514	802	272
Total rate of new employees hired in 2022	36%	58%	6%	113%	175%	50%	34%	50%	16%	32.37%	50.50%	17.13%
Total number of employee turnover in 2022	33	43	6	323	770	328	30	71	12	262	524	235
Total rate of employee turnover in 2022	3.4%	3.9%	0.6%	2.20%	5.30%	2.30%	1.1%	2.5%	0.4%	25.66%	51.32%	23.02%

*Note that regulations protect an employee's need to report date of birth and therefore portions of the gender data are missing. 247 or 16% of the new EMEA employees hired in 2022 do not provide a date of birth. 605 or 4.3% of total EMEA employees turnover do not provide a date of birth. 149 or 1.1% of employee turnover do not provide gender.

**1 or 0.5% of the new APAC employees hired in 2022 do not provide a date of birth. 68 or 2.5% of total APAC employee turnover do not provide a date of birth

Index 1: HR continued

Data self reported by Culligan Business units.

	LATAM		EMEA		APAC		U.S. and Canada*					
Disclosure 405-1	Female	Male	Female	Male	Female	Male	Female	Male	< 30	30-50	> 50	Other indicators of diversity
% Employees	40.87%	59.13%	30.30%	69.70%	40.57%	59.43%	31.76%	68.24%	15.33%	50.47%	34.20%	51.32%

*The age and diversity metrics are only covered in the US and Canada as we do not currently track these stats elsewhere.

	LATAM				APAC				U.S. and Canada			
SASB SV-PS-330a.1	Total count	Female	Male	Racial/ethnic (minority or vulnerable)	Total count	Female	Male	Racial/ethnic (minority or vulnerable)	Total count	Female	Male	% Racial/ethnic (minority or vulnerable)
Management*	10	10.0%	90.0%	n/a	50	24%	76%	n/a	594	30.81%	69.19%	30.13%
Non-management**	717	40.0%	60.0%	n/a	986	41%	59%	n/a	3046	31.94%	68.06%	55.45%

*indicates management and senior leadership

**indicates non-management and labor professionals

SASB SV-PS-330a.2	U.S. and Canada turnover rate
Voluntary	78.45%
Involuntary	21.55%

Index 2: Energy & emissions

		Non-renewable energy consumption (kwh)	Renewable energy consumption (kwh)
Disclosure 302-1*	Region	2022	2022
Scope 1	Americas	19,236,796.28	-
	EMEA	7,516,355.24	-
	APAC	5,047,383.10	-
	Total	31,800,534.62	0
Scope 2	Americas	8,092,040.0	-
	EMEA	10,579,645.5	37,731.0
	APAC	3,396,568.6	23,153.0
	Total	22,068,254.1	60,884.0

*values do not include any data that was provided as pre-calculated data, spend data or any modelled business units

		Energy consumption (kwh)
Disclosure 302-2*	Region	2022
Scope 3	Americas	1,910,194.82
	EMEA	2,948,889.80
	APAC	11,647.19
	Total	4,870,731.81

*2022 values exclude any activities or entities that were modelled and use of sold goods, but include FERA and employee commuting where applicable

Index 2: Energy & emissions continued

Disclosure 302-3	Energy intensity (Scope 1, 2 and 3, kwh)
Region	2022
Americas	0.0242
EMEA	0.0205
APAC	0.0337
Total	0.0237

Disclosure 305-1	Scope 1 (metric tons)
Region	2022
Americas	10,217
EMEA	27,108
APAC	3,861
Total	41,186

Disclosure 305-2	Scope 2 (metric tons)
Region	2022
Americas	4,617
EMEA	5,943
APAC	2,056
Total	12,616

Disclosure 305-3	Scope 3 (metric tons)
Region	2022
Americas	413,289
EMEA	453,621
APAC	498,887
Total	1,165,797

Disclosure 305-4	GHG emission intensity (Scope 1, 2 and 3)
Region	2022
Americas	0.355
EMEA	0.475
APAC	1.216
Total	0.491

Index 3: Water & waste

	Disclosure 303-4
Region	Water consumption/discharge (liters)
Americas	227,108,183.60
EMEA	580,373,467.40
APAC	380,469,670.00
Total	1,187,951,321.00

	Disclosure 306-3*
Region	Waste generated (metric tons)
Americas	11,158.82
EMEA	4,738.78
APAC	835.88
Total	16,733.48

*Values do not include facilities where waste data was provided as spend data

2022 ESG Report

Sources & hyperlinks

5. A letter from our CEO

1. https://www.cdc.gov/healthywater/global/wash_statistics.html
2. <https://www.weforum.org/agenda/2016/10/every-minute-one-garbage-truck-of-plastic-is-dumped-into-our-oceans/>

8. The current state of water

1. <https://www.unwater.org/publications/un-world-water-development-report-2023>
2. <https://www.cdc.gov/ncezid/what-we-do/2021-highlights/waterborne-disease.html>
3. <https://news.climate.columbia.edu/2022>.
4. <https://www.gao.gov/products/gao-18-382>
5. <https://www.wcl.org.uk/uk-falling-behind-in-fight-against-toxic-forever-chemicals.asp>

10. Who we are

1. Americas: North America and Latin America
2. EMEA: Europe, Middle East and Africa
3. APAC: Asia-Pacific

15. Financial highlights

1. CAGR: compounded annual growth rate

20. Our role in reducing single-use plastic

1. <https://www.epa.gov/facts-and-figures-about-materials-waste-and-recycling/plastics-material-specific-data#:~:text=The%20recycling%20rate%20of%20PET,with%20energy%20recovery%20that%20year>
2. https://www3.weforum.org/docs/WEF_The_New_Plastics_Economy.pdf
3. <https://www.reuters.com/graphics/ENVIRONMENT-PLASTIC/0100B275155/index.html>
4. <https://wwf.org.au/blogs/the-lifecycle-of-plastics/>
5. [https://www.oecd.org/environment/plastic-pollution-is-growing-relentlessly-as-waste-management-and-recycling-fall-short.htm#:~:text=Only%209%25%20of%20plastic%20waste%20is%20recycled%20\(15%25%20is,disposed%20of%20as%20residues\)](https://www.oecd.org/environment/plastic-pollution-is-growing-relentlessly-as-waste-management-and-recycling-fall-short.htm#:~:text=Only%209%25%20of%20plastic%20waste%20is%20recycled%20(15%25%20is,disposed%20of%20as%20residues))

26. Driving sustainability with our soften products

1. <https://www.usgs.gov/special-topics/water-science-school/science/hardness-water>
2. Based on the results of a 2023 ISO 14040-44 conforming, independent expert panel-reviewed life cycle assessment (LCA) of representative products of each of Culligan's seven key product families, compared to relevant alternatives, such as single-use plastic bottles or boiled tap water. The cumulative impact reductions reported here were calculated by determining the annual potential impact reduction compared to the alternative product (e.g. single-use bottled water, boiled tap water) for one unit of each representative Culligan product, and multiplying this result by the estimated number of the Culligan products used annually, based on Culligan product usage data. This calculation assumes that 100% of the alternative usageto the Culligan product is in the form of the comparative product (e.g. single-use bottled water, boiled tap water), as opposed to a mixture of the comparative product and other alternatives, such as alternative multi-function taps, filtered pitchers, bottled water coolers, etc. The extrapolation of the cumulative impact reductions was not reviewed by the independent panel, but was based on the methodology, calculations, and assumptions of the independent panel-reviewed baseline LCA. A copy of the expert-panel-reviewed LCA report is available upon request.

27. Increasing efficiency with reserve osmosis products

1. <https://www.nsf.org/knowledge-library/nsf-ansi-58-reverse-osmosis-drinking-water-treatment-systems>

28. Reducing life cycle impact

1. See footnote 2 on page 25

30. Managing our environmental impact

1. <https://www.nature.com/articles/s41545-019-0039-9>
2. <https://gml.noaa.gov/ccgg/trends/weekly.html>
3. <https://www.unep.org/interactives/beat-plastic-pollution/>
4. See footnote 1 on page 8

31. Effective water stewardship

1. <https://www.who.int/news/item/18-06-2019-1-in-3-people-globally-do-not-have-access-to-safe-drinking-water-unicef-who>
2. <https://blogs.worldbank.org/water/what-costs-the-world-260-billion-each-year#:~:text=Poor%20sanitation%20and%20water%20supply,or%201.5%25%20of%20their%20GDP>
3. <https://press.un.org/en/2016/sgsm17610.doc.htm#:~:text=By%202025%2C%20nearly%201.8%20billion,central%20to%20addressing%20climate%20change>
4. <https://www.who.int/news/item/06-03-2017-the-cost-of-a-polluted-environment-1-7-million-child-deaths-a-year-says-who#:~:text=Every%20year%2C%20environmental%20risks%20%E2%80%93%20such,say%20two%20new%20WHO%20reports>.
5. <https://data.unicef.org/resources/safely-managed-drinking-water/>
6. <https://www.epa.gov/watersense/statistics-and-facts>
7. <https://www.unicef.org/press-releases/unicef-collecting-water-often-colossal-waste-time-women-and-girls>
8. See footnote 4 on page 8

33. Addressing water contamination

1. <https://www.atsdr.cdc.gov/pfas/health-effects/index.html>
2. <https://www.epa.gov/sdwa/and-polyfluoroalkyl-substances-pfas>
3. <https://www.pewtrusts.org/en/research-and-analysis/articles/2021/03/30/microplastics-are-a-big-and-growing-part-of-global-pollution>

36. Reducing waste

1. <https://education.nationalgeographic.org/resource/whopping-91-percent-plastic-isnt-recycled/>
2. See footnote 5 on page 20

48. Integrity & ethics

1. <https://www.ilo.org/global/topics/forced-labour/lang--en/index.htm#:~:text=Facts%20and%20figures,22%20million%20in%20forced%20marriage>.

