



WALTERS+KOCH
INC

GROUP CLIMATE CHANGE POLICY

Context:

Walters and Koch believes that climate change is one of the defining challenges of this era. As a responsible steward of valuable resources, and guided by our values of accountability, collaboration and innovation, we recognise the need to make a contribution to the global journey to address climate change. We believe that this is inextricably linked to remaining a successful business into the future. This includes a specific responsibility to take action to address its causes and protect our employees, assets and host communities against its potential impacts.

There are three principal areas in which we expect climate change will impact Walters and Koch:

- The demand for some of our products will change.
- Climate regulation and taxation will affect our operations.
- The physical and social impacts of a changing climate, such as water scarcity and more frequent extreme weather events, may affect our operations and host communities.

This Policy sets out the principles that will inform our approach to the challenge of climate change and the management of risks and opportunities associated with it. This document also outlines the actions we are taking and plan to take to build our internal agility and ensure our resilience as an organisation in the face of climate change.

Does this apply to me?

This Policy applies to the entire Walters and Koch Group, including all its Business Units, Group Functions and controlled subsidiaries, regardless of region or operation (collectively, “the Group”). The Policy does not apply to joint ventures and subsidiaries of the Group which are not controlled by the Group.

This Policy applies to all employees and directors, as well as contractors, consultants and external advisers (and their personnel) when they are acting on behalf of the Group.

This is a Group Policy that applies to Walters and Koch globally, unless any aspect of the Policy is not permitted by local law or regulation.

What do I need to know?

Our key principles:

[Building internal agility and ensuring resilience to climate change](#)

Strengthening our resilience to the systemic challenge of climate change will require us to anticipate and respond effectively to a changing business environment. Walters and Koch will:

- Ensure that the cost of carbon informs our business decisions across value chain.
- Foster in our employees a culture of energy and carbon savings, which further underpins innovation in our business.
- Identify the potential physical impacts of climate change on our business activities and introduce appropriate adaptation response measures.
- Develop our capability to trade on the global carbon markets with the aim of reducing the potential cost of regulatory compliance.

Driving energy and carbon savings throughout our business

Walters and Koch is committed to understanding the contribution of our business activities to climate change and identifying and implementing co-ordinated response measures. We will:

- Implement energy and carbon management and reporting to improve our performance in energy and carbon savings.
- Develop Group-wide guidance for the performance management of energy and carbon.
- Set multi-year energy and carbon improvement targets.
- Identify and implement opportunities for energy and carbon savings throughout our business and in new projects.
- Assess the options for using low carbon-emission energy sources for our current and future operations.

Understanding and responding to the carbon life-cycle risks and opportunities of our products

Critical assessments of the life-cycle contribution of our products to climate change will assist us in identifying and implementing appropriate response measures. Walters and Koch will:

- Understand the life-cycle contribution of our products to climate change and seek to identify opportunities to reduce impacts.
- Identify and develop strategic partnerships on new products and newmarket opportunities.

Developing and implementing collaborative solutions with our stakeholders

Addressing the climate change challenge will require a collaborative approach across all sectors of society. With the aim of contributing to this collaborative approach within our sphere of influence, Walters and Koch will:

- Regularly review the potential for partnership opportunities for mitigation of and adaptation to climate change.

- Establish a low energy and low carbon technology research and implementation programme which enhances our options for long-ter business agility. m
- Integrate climate change considerations within our social investment and enterprise development activities.

Contributing our skills and knowledge to the development of responsible public policy

Effective public policy is essential for providing the right framework of drivers and incentives to encourage coordinated, efficient and equitable response measures by all stakeholders. Walters and Koch is committed to providing our expertise to assist governments and other stakeholders in developing such public policy and regulation. We will:

- Work with industry and regulatory authorities to contribute to the development and implementation of efficient, effective and equitable climate change policies and regulations.
- Advocate policy frameworks which support energy security and encourage research and investments in low carbon technology.
- Encourage co-ordination of a global carbon market and mechanisms which are supportive of low carbon technology and climate adaptation measures in developing nations.

What do I need to do?

The successful implementation of a climate change Policy and programme requires cooperation and trust between employers, employees and their representatives, and governments.

Communication

We will promote Walters and Koch's climate change programme – including this Policy - to our employees and business partners. In addition, we will engage in a continuous process of stakeholder dialogue and consultation.

Group Standard on Energy and Green House Gas Emissions Management

The Safety and Sustainable Development (S&SD) Group Standard on Energy and Green House Gas (GHG) Emissions Management and the related Energy and GHG Emissions Management Guideline set out the requirements to help drive energy and carbon savings across the Group. The standard requires energy and GHG emissions consideration in:

- Planning: projected energy use/intensity and GHG emissions.
- Target Setting: aligning Site/Business Unit targets with Group objectives.
- Design: new facilities, processes, and equipment with significant energy use.

- Procurement: part of the evaluation criteria for major equipment, product and service sourcing.
- Measurement, Monitoring and Verification: measurement and controls for data consolidation and reporting.

The Business Unit executive committee (Exco), the Site leadership team and Group Functions (e.g. Supply Chain) have key roles for successful adoption of the standard, guidelines and recommended practice.

Monitoring and reporting:

Walters and Koch will continue to measure and report on our Group-wide direct, indirect and product-related emissions and will regularly update our Board, investors, host governments and other relevant stakeholders on our progress in reducing carbon emissions and energy consumption.

External assurance will be carried out on our Group reporting on our energy and carbon performance.