

# WATER POLICY

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## BACKGROUND

Water is essential to all life on earth and access to safe drinking water and sanitation are fundamental human rights.

An estimated 3 in 10 people still lack access to safely managed drinking water, and 2.4 billion people don't have basic sanitation services such as toilets. Nearly 1,000 children around the world die due to preventable water and sanitation-related diarrheal disease every day<sup>1</sup>. According to a recent UNESCO report, 2 billion people already live with the threat of water scarcity, and about 4 billion people suffer from severe water shortage during at least one month of the year<sup>2</sup>.

As the demand for fresh water is rising, there is a corresponding decline in its availability as both climate change and environmental contamination further exacerbate the worldwide water crisis. This global issue is not just a matter of access to water, but also having enough fresh water to meet the need. Fresh water is essentially an exhaustible resource and both individuals and businesses are at risk. Risks include droughts, flooding, unstable weather, as well as diminished water supply and water quality. Increased urbanization and population growth, combined with a lack of infrastructure for treating wastewater in cities and in rural areas, creates further pressure.

In our mission "Engineering for a better world" we promise innovative solutions to our customers. The protection of all-natural resources is an integral part of our commitment to sustainable development. GEA recognizes that water is a critical resource in the communities in which we operate and therefore we are committed to ensure contribution to high water quality and sustainable water quantity throughout the value chain. This includes a commitment to provide access to Water, Sanitation and Hygiene (WASH) services at all GEA sites.

Aiming to protect water resources we have set water reduction targets at our production sites which are monitored carefully. In addition, we include the full value creation by operating with suppliers and providing technologies that improve water use efficiency and quality to our customers.

We therefore strive to attain these outcomes through the following action:

## IN OUR OPERATIONS

GEA is taking the following steps to ensure the on-going protection of water resources within its own operations and complying with international and local laws.

### Global assessment of production sites located in areas of water scarcity /stress

To ascertain the impact of water shortage on its production, GEA has devised a process for identifying regions vulnerable to water scarcity risks. This is done by the definition of GEA sites located in water-stressed regions using the 'Aqueduct Water Risk Atlas' tool. GEA continuously monitors its water demands within these areas, ensures the risks are known to operations, and encourages water conservation and savings measures including necessary investments when possible.

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<sup>1</sup> <https://www.un.org/sustainabledevelopment/water-and-sanitation/>

<sup>2</sup> <https://unesdoc.unesco.org/ark:/48223/pf0000367303>

## Creation of Targets to reduce GEA global water consumption from production sites

To GEA has set water reduction targets with the goal of reducing water consumption worldwide on a continuous annual basis. GEA is committed to accomplish this by increasing the ratio of recycled water.

The focus is primarily targeted on production sites, particularly in areas facing water scarcity. These targets highlight GEA's commitment toward the Sustainable Development Goal to provide 'Clean Water and Sanitation'.

## Continuous monitoring and reporting of GEA water consumption at production sites

In direct operations GEA depends on fresh water for sanitation, hygiene, as well as select production processes. GEA captures and monitors the water consumption at its production locations. This includes municipal water, ground water, as well as amount of recycled water and wastewater. Regarding disclosure and advocacy, GEA will continue to report its water consumption on an annual basis via our Annual Report. As well as continue participation in the CDP Water Disclosure Program. These mechanisms ensure continued transparency of reporting in this field.

## Environmental core rule to avoid unnecessary water consumption

Through GEA's Environmental Core Rules, GEA promotes the significance of water resource preservation and sustainable water management as a value in GEA corporate culture. Associates should always consider the best use of water and identify possibilities to reduce water usage in the workplace whenever possible.

# PRODUCTS AND SERVICES

## Provide and develop technologies to treat wastewater and generate freshwater.

"Engineering for a better world": this statement embodies the core value proposition of the GEA Group and our approach to prudently shape and design our value creation process. As GEA's main production processes do not require significant amounts of water, GEA's largest impact on water resources is through its innovative products and solutions that provide optimal results with significant water savings. We assist customers in their endeavors to ensure sustainable management and the protection of natural resources by offering more and more efficient products and process solutions. GEA will continue to actively work to reduce the economic, ecological and social implications of our products and business.

As an example, GEA works with governments, NGOs, institutions and industries to provide a range of key technologies for efficient wastewater treatment. These solutions contribute to and support improved access to clean and fresh water across the globe.

GEA products and services have already shown a huge environmental impact and play a key role in providing safe, clean water to local and regional communities.

## SUPPLY CHAIN

### Engage with our suppliers to encourage environmentally compatible business practices

Responsibility for the environment is of key importance, not only regarding GEA's products and services, but along the entire supply chain. This includes a registration process for suppliers which requires that the latter commit to the company's dedicated "Code of Conduct for Suppliers and Subcontractors."

This set of rules specifies the commitment of suppliers to strive to save valuable resources and engage in environmentally compatible business practices, including water consumption reductions. Suppliers are encouraged to promote the development of technologies limiting water consumption and should implement logistic strategies that minimize overall environmental impacts.

GEA also encourages and expects suppliers to be ISO 14001 certified or equivalent.

Date	Review and Revision
25.05.2020	Creation of policy
05.11.2020	Application for Executive Board approval
01.12.2020	Executive Board approval