

# **WATER STEWARDSHIP POLICY**

---

# WATER STEWARDSHIP POLICY

---

As a responsible business, we need to ensure that our water usage is minimised as much as possible so that there is an equitable distribution of freshwater. Access to clean water and sanitation is a basic human right and aligns with the United Nations Sustainable Development Goal (UN SDG) 6 “Clean water and sanitation”

## Materiality

Water usage in the production processes is not extensive and accounts for c. 30% of water usage. Where there is any contamination from these processes, water is treated before release to public sewers. The majority of water usage relates to WASH (Water, Sanitation & Hygiene) services for staff and is therefore discharged to public sewers.

## Scope

This policy is relevant to the whole Dialight Group. Our goal is to reduce the usage of freshwater per head and ensure the pre-treatment of any production effluent. This will be achieved by:

1. Ensuring that 100% of our sites in water-stressed areas have a mitigation plan in place. Currently our Mexican sites are in areas of high-water stress. An example of a mitigation plan could be the use of recycled grey water in sanitation in order to reduce freshwater usage.
2. Ensuring that the quality of the effluent water we return to the environment meets our effluent discharge consent limits.

## Target(s) and commitments

Reducing water usage aligns with the United Nations Sustainable Development Goal (UN SDG) 10 “Reduced Inequalities”. We have set an intensity target to reduce water usage by 5% per annum per £m of revenue.

## Management

Responsibility for our sustainability performance is governed at the highest levels as part of our social responsibility. The Group Chief Executive is ultimately responsible for the management of all sustainability-related topics. Management of individual topics is done within the appropriate divisional and functional teams with oversight by the ESG Committee.

We are committed to working with our local communities and local regulatory bodies to ensure that wherever we operate there is enough water for all. Management of individual topics is done within the appropriate divisional and functional teams with oversight by the ESG Committee.

The World Resources Institute’s “Aqueduct” tool is used to identify which of our sites are in water stressed areas, which we define as those sites at “high risk” or “extremely high risk” of water stress

and this is reviewed annually. Sites identified as being “water-stressed” are required to have a mitigation plan in place to minimise their use of water, which improves their resilience.

We monitor water extraction quantities monthly. We also monitor water discharge quantity and quality monthly. Any site which reports a quality issue is asked to investigate the incident and explain their action plan to prevent recurrence.

## Stakeholder engagement

We have maintained a dialogue with investors and customers on water management where they have requested it and complete the CDP water security questionnaire at the request of several customers.