

W.R. Grace & Co. - Water Security 2020

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

W. R. Grace & Co. - Conn (Grace) delivers value through performance. Our catalysts and specialized silicas improve the products and processes of many of the world's best companies. Through world-class knowhow, collaboration, and experience, we help customers in 70 countries achieve some of their most important goals, from high-performing products and high-productivity manufacturing, to improved efficiency, sustainability, and profitability.

Grace is engaged in the production and sale of specialty chemicals and specialty materials on a global basis through two reportable business segments: Grace Catalysts Technologies, which includes catalysts and related products and technologies used in refining, petrochemical and other chemical manufacturing applications; and Grace Materials Technologies, which includes specialty materials, including silica-based and silica-alumina-based materials, used in consumer/pharma, chemical process, and coatings applications.

W-CH0.1a

(W-CH0.1a) Which activities in the chemical sector does your organization engage in?

Specialty inorganic chemicals

Other, please specify (Specialty Materials)

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1 2019	December 31 2019

W0.3

(W0.3) Select the countries/areas for which you will be supplying data.

Brazil
Canada
China
Germany
Malaysia
Philippines
Republic of Korea
Spain
Sweden
United States of America

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

USD

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
Remediation sites	In our initial report, we have not collected data from all environmental remediation sites over which we have operational control.
Global Sales Offices	Water use at our global sales offices is immaterial to our overall water use and risk. Global Sales Offices are therefore excluded.
Warehouses	Water use at our warehouses has not been collected but is expected to be immaterial to our overall water use and risk.

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Vital	Sufficient amounts of good quality freshwater is of vital importance for the production of all of our products, and we recognize water of suitable quality and volume is a finite resource. For Grace, a majority of our processes require access to fresh water for the manufacturing of our products. Water is used in steam generation, washing, slurring, transport, treatment, as a reaction medium, and incorporated into products. Indirectly, freshwater is also very important for the production of raw materials and other indirect materials across our value chain. We do not anticipate water becoming any less important for either our direct or indirect use in the future. We do not anticipate our future fresh water use to change significantly.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Important	We consider recycled water to be important to our direct business operations and our supply chain as we recognize the importance of conserving water. Recycled water is used both directly to minimize freshwater use within our operations and indirectly to support the production of raw materials across our value chain. In the future we see the availability of recycled water as remaining important for direct and indirect uses as we seek to bolster our water stewardship efforts. We do not anticipate our future recycled water use to change significantly.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	76-99	Grace internally monitors its water withdrawals primarily through invoices sent by third-party providers or through direct readings obtained at the point of withdrawal. Additionally, many sites have flow meters which can be accessed as needed (daily or otherwise) to obtain and verify flow data. Water withdrawals from public utilities are monitored at a frequency applicable to the billing cycle of that water utility. In instances where water withdrawals data exceeds a period of 3 months, water withdrawal is estimated. Where data is unavailable applicable estimates are made. In cases where water withdrawal is from surface or ground water, withdrawal data is obtained on a monthly basis from in line water flow meters. Data gaps for both public utilities and surface or ground water are addressed through engineering estimation where required.
Water withdrawals – volumes by source	76-99	This is the first year Grace implemented a company-wide survey for water use at each of our facilities, including volumes by source. This effort will continue on an annual basis. Water withdrawals from public utilities are monitored at a frequency applicable to the billing cycle of that water utility. In instances where water withdrawals data exceeds a period of 3 months, water withdrawal is estimated. Where data is unavailable applicable estimates are made. In cases where water withdrawal is from surface or ground water, withdrawal data is obtained on a monthly basis from in line water flow meters. Data gaps for both public utilities and surface or ground water are addressed through engineering estimation where required.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	1-25	Grace maintains compliance with all of its operational permits and applicable regulations. Where water is supplied from third party sources such as water utilities, water quality is monitored by those entities. Where water is withdrawn from ground or surface water, water quality parameters are monitored as a raw material input to ensure water is of sufficient quality to meet product requirements.

	% of sites/facilities/operations	Please explain
Water discharges – total volumes	51-75	This is the first year Grace implemented a company-wide survey for water use at each of our facility, including total discharge volume. This effort will continue on an annual basis. Water discharges from facilities are monitored through either or both (where applicable) public owned treatment works or effluent flow meters at discharge points. Measurement frequency is determined by permit obligations or operational requirements and may range from daily to monthly. Data gaps for both publicly owned treatment works or other receiving bodies is estimated according to applicable regulatory guidance and internal procedures.
Water discharges – volumes by destination	51-75	This is the first year Grace implemented a company-wide survey for water use at each of our facility, including discharge volume by destination. This effort will continue on an annual basis. Water discharges from facilities are monitored through either or both (where applicable) public owned treatment works or effluent flow meters at discharge points. Measurement frequency is determined by permit obligations or operational requirements and may range from daily to monthly. Data gaps for both publicly owned treatment works or other receiving bodies is estimated according to applicable regulatory guidance and internal procedures.
Water discharges – volumes by treatment method	26-50	This is the first year Grace implemented a company-wide survey for water use at each of our facility, including discharge volume by treatment method. This effort will continue on an annual basis. Water discharges from facilities are monitored through either or both (where applicable) public owned treatment works or effluent flow meters at discharge points. Measurement frequency is determined by permit obligations or operational requirements and may range from daily to monthly. Data gaps for both publicly owned treatment works or other receiving bodies is estimated according to applicable regulatory guidance and internal procedures.
Water discharge quality – by standard effluent parameters	100%	Grace complies with all operating and discharge permits pursuant to national, federal, state, and local regulations. We regularly monitor discharge water quality to maintain compliance with our permits. Water discharge quality parameters are monitored at intervals specified by all operating and discharge permits and are specific to each facility. The monitoring frequency set by the relevant permits may range from hourly to annually. The specific method for monitoring each water quality parameter will be established by the appropriate regulatory body and specified in the operating permit.
Water discharge quality – temperature	Not monitored	Grace complies with all operating and discharge permits pursuant to national, federal, state, and local regulations. We regularly monitor discharge water quality to maintain compliance with our permits.
Water consumption – total volume	26-50	This is the first year Grace implemented a company-wide survey for water use at each of our facility, including total withdrawals and total discharge. Consumption is calculated by subtracting discharge from total withdrawals. This effort will continue on an annual basis. Water consumption is calculated on an annual basis using the following formula: Consumption = Withdrawal (all sources) – Discharge (all receptors).
Water recycled/reused	1-25	This is the first year Grace implemented a company-wide survey for water use at each of our facility, including water recycled/reused This effort will continue on an annual basis. The volume of water recycled is based on either engineering estimation or direct measurement. Data is aggregated on an annual basis.

	% of sites/facilities/operations	Please explain
The provision of fully-functioning, safely managed WASH services to all workers	100%	Grace complies with all local, state, and federal regulations regarding the provision of fully-functioning, safely managed WASH services to all workers.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	22798.3	Much lower	This is the first year that WR Grace underwent a company-wide survey of water use. This volume is significantly lower than last year but represents a drastic improvement in data quality. Total withdrawal volume is not anticipated to vary significantly.
Total discharges	14413.53	Higher	This is the first year that WR Grace underwent a company-wide survey of water use. This volume is higher than last year but represents a drastic improvement in data quality. Total discharge volume is not anticipated to vary significantly.
Total consumption	8384.77	Much lower	This is the first year that WR Grace underwent a company-wide survey of water use. This volume is significantly lower than last year but represents a drastic improvement in data quality. Total consumption is calculated by subtracting total discharges from total withdrawals.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	1-10	Much lower	WRI Aqueduct	Grace utilized the WRI Aqueduct tool to approximate the level of Baseline water stress at each of its facilities globally. Areas with a baseline water stress score above 3.0 (High to Very High) were identified as being within water stressed areas. We then took the total water withdrawn from those areas and divided it by total water use to obtain the % withdrawn from areas with water stress. Based on known data deficiencies in water withdrawal in prior years this should be viewed as a conservative estimate. We expect this value to remain relatively unchanged moving forward but may shift as data collection methods continue to improve.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	6115.6	This is our first year of measurement	For this reporting period, WR Grace underwent its first company-wide inventory of water use. Fresh surface water is used in direct operations at a number of plants, therefore it is relevant. This is the first year of measurement so we are not able to compare with last year.
Brackish surface water/Seawater	Relevant		Please select	For this reporting period, WR Grace underwent its first company-wide inventory of water use. Brackish surface water/seawater is not used in direct operations at any facilities, therefore it is not relevant. This is the first year of measurement so we are not able to compare with last year.
Groundwater – renewable	Relevant	7243.9	This is our first year of measurement	For this reporting period, WR Grace underwent its first company-wide inventory of water use. Renewable groundwater is used in direct operations at a number of plants, therefore it is relevant. This is the first year of measurement so we are not able to compare with last year.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	For this reporting period, WR Grace underwent its first company-wide inventory of water use. Non-renewable groundwater is not used in direct operations at any of our plants, therefore it is not relevant. This is the first year of measurement so we are not able to compare with last year.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	For this reporting period, WR Grace underwent its first company-wide inventory of water use. Produced/entrained water is not used in direct operations at any of our plants, therefore it is not relevant. This is the first year of measurement so we are not able to compare with last year.
Third party sources	Relevant	9438.9	This is our first year of measurement	For this reporting period, WR Grace underwent its first company-wide inventory of water use. Water from third party sources is used in direct operations at a number of plants, therefore it is relevant. This is the first year of measurement so we are not able to compare with last year.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant	3470.08	This is our first year of measurement	For this reporting period, Grace underwent its first company-wide inventory of water use. A number of facilities discharge to fresh surface water; therefore this destination is relevant. This is the first year of measurement so we are not able to compare with last year.
Brackish surface water/seawater	Relevant	7549.9	This is our first year of measurement	For this reporting period, Grace underwent its first company-wide inventory of water use. A few facilities discharge to brackish surface water; therefore this destination is relevant. This is the first year of measurement so we are not able to compare with last year.
Groundwater	Relevant	23.52	This is our first year of measurement	For this reporting period, Grace underwent its first company-wide inventory of water use. A number of facilities discharge to groundwater; therefore this destination is relevant. This is the first year of measurement so we are not able to compare with last year.
Third-party destinations	Relevant	3370.02	This is our first year of measurement	For this reporting period, Grace underwent its first company-wide inventory of water use. A number of facilities discharge third-party destinations; therefore this destination is relevant. This is the first year of measurement so we are not able to compare with last year.

W-CH1.3

(W-CH1.3) Do you calculate water intensity for your activities in the chemical sector?

Yes

W-CH1.3a

(W-CH1.3a) For your top five products by production weight/volume, provide the following water intensity information associated with your activities in the chemical sector.

Product type

Specialty inorganic chemicals

Product name

FCC Catalyst C

Water intensity value (m3)

772.89

Numerator: water aspect

Total water withdrawals

Denominator

Other, please specify (Metric Ton (MT))

Comparison with previous reporting year

This is our first year of measurement

Please explain

This is our first year reporting this metric. The metric has not changed significantly over the previous reporting year. The metric is used to monitor the water intensity of our products with respect to assessing our overall water risk and ensuring compliance with our operating permits.

Product type

Specialty inorganic chemicals

Product name

FCC Catalyst A

Water intensity value (m3)

443.23

Numerator: water aspect

Total water withdrawals

Denominator

Other, please specify (Metric Ton (MT))

Comparison with previous reporting year

This is our first year of measurement

Please explain

This is our first year reporting this metric and is based on our first company-wide water usage survey for 2019 so we cannot report any changes from previous reporting years. This metric will be used to monitor the water intensity of our products with respect to assessing our overall water risk and ensuring compliance with our operating permits. We anticipate this number will decrease in the future as we continue to refine our ability to allocate water usage and pursue water conservation measures at our facilities.

Product type

Specialty inorganic chemicals

Product name

FCC Catalyst B

Water intensity value (m3)

242.47

Numerator: water aspect

Total water withdrawals

Denominator

Other, please specify (Metric Ton (MT))

Comparison with previous reporting year

This is our first year of measurement

Please explain

This is our first year reporting this metric. The metric has not changed significantly over the previous reporting year. The metric is used to monitor the water intensity of our products with respect to assessing our overall water risk and ensuring compliance with our operating permits.

Product type

Specialty inorganic chemicals

Product name

FCC Additive A

Water intensity value (m3)

165.37

Numerator: water aspect

Total water withdrawals

Denominator

Other, please specify (Metric Ton (MT))

Comparison with previous reporting year

This is our first year of measurement

Please explain

This is our first year reporting this metric. The metric has not changed significantly over the previous reporting year. The metric is used to monitor the water intensity of our products with respect to assessing our overall water risk and ensuring compliance with our operating permits.

Product type

Specialty inorganic chemicals

Product name

Silica Product A

Water intensity value (m3)

79.16

Numerator: water aspect

Total water withdrawals

Denominator

Other, please specify (Metric Ton (MT))

Comparison with previous reporting year

This is our first year of measurement

Please explain

This is our first year reporting this metric. The metric has not changed significantly over the previous reporting year. The metric is used to monitor the water intensity of our products with respect to assessing our overall water risk and ensuring compliance with our operating permits.

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

Yes, our customers or other value chain partners

W1.4c

(W1.4c) What is your organization's rationale and strategy for prioritizing engagements with customers or other partners in its value chain?

Grace engages with its customers whose water related risks are a material factor in their ability to deliver value to consumers through technical expertise, collaboration, and the investigation and co-development of custom products designed specifically to reduce water consumption requirements. These collaborations have led to significant reductions in water consumption for both Material Technology and Refining Technology customers.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

No

W3. Procedures

W-CH3.1

(W-CH3.1) How does your organization identify and classify potential water pollutants associated with its activities in the chemical sector that could have a detrimental impact on

water ecosystems or human health?

Risk characterization, management, and communication are important elements of Grace's global Product Stewardship Program. Our risk characterization and management program identifies, reduces, manages, and communicates the environmental, health, and safety impacts associated with our products throughout a product's lifecycle. Grace manages water risks from our products through risk characterization, management, and communication within our Product Stewardship Program. Risk characterization begins with an evaluation of the hazards associated with our products' ingredients. Every product's composition is defined, and reaction compounds, byproducts, impurities, or other minor components are evaluated. Available information on physio-chemical, health hazard, and environmental effects is reviewed, and studies are commissioned to obtain additional data as appropriate. Exposure risks are assessed for manufacturing processes, handling, packaging, distribution, use, and disposal. Risks are characterized for workers making the product, customers using the product, and others who may be affected. Prior to commercialization of a product, a risk management evaluation is performed. This evaluation assures that products can be safely produced, sold, and used in all intended applications. Grace communicates product safety information primarily through Safety Data Sheets and product labels. Additional communication methods such as training presentations and videos, safe use bulletins, and regulatory summaries are provided when appropriate to communicate risks adequately.

W-CH3.1a

(W-CH3.1a) Describe how your organization minimizes adverse impacts of potential water pollutants on water ecosystems or human health. Report up to ten potential pollutants associated with your activities in the chemical sector.

Potential water pollutant	Value chain stage	Description of water pollutant and potential impacts	Management procedures	Please explain
pH	Direct operations	pH as a water parameter can have substantial impacts on the health and sustainability of water ecosystems including vital benthic organisms, microbiomes, and vertebrates that form the basis of food chains. Extreme pH values pose risk to amphibian, reptilian, avian, and mammalian organisms who rely on water ecosystems.	Compliance with effluent quality standards Measures to prevent spillage, leaching, and leakages	Grace maintains compliance with all local, state, federal, and regional effluent quality standards through the incorporation of management systems, management of change processes within our operational facilities, and robust incident reporting procedures. Facilities are equipped with a variety of administrative, treatment, and operational controls to modify pH parameters to permitted limits. Success is measured by achieving our goal of nothing out of place and receiving no regulatory citations (notices of violation) from regulatory agencies.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Direct operations

Coverage

Full

Risk assessment procedure

Water risks are assessed in an environmental risk assessment

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market

Other

Tools and methods used

WRI Aqueduct

External consultants

Comment

Supply chain

Coverage

None

Risk assessment procedure

<Not Applicable>

Frequency of assessment

<Not Applicable>

How far into the future are risks considered?

<Not Applicable>

Type of tools and methods used

<Not Applicable>

Tools and methods used

<Not Applicable>

Comment

Other stages of the value chain

Coverage

None

Risk assessment procedure

<Not Applicable>

Frequency of assessment

<Not Applicable>

How far into the future are risks considered?

<Not Applicable>

Type of tools and methods used

<Not Applicable>

Tools and methods used

<Not Applicable>

Comment

W3.3b

(W3.3b) Which of the following contextual issues are considered in your organization’s water-related risk assessments?

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	Water availability is vital to our direct and indirect operations as an ingredient, solvent, transport medium, and cooling medium. Through our internal 2019 WRI Aqueduct Assessment, we were able to determine water risk across each of our facilities. Water availability at a basin/catchment level is evaluated within that process.
Water quality at a basin/catchment level	Relevant, always included	Access to quality water is vital to our direct and indirect operations as an ingredient, solvent, and transport medium. Through our internal 2019 WRI Aqueduct Assessment, we were able to determine water risk across each of our facilities. Water quality at a basin/catchment level is evaluated within that process.

	Relevance & inclusion	Please explain
Stakeholder conflicts concerning water resources at a basin/catchment level	Not relevant, explanation provided	We actively monitor water risks across our operations and have determined our facilities to have minimal impact on surrounding stakeholders. This is not anticipated to change in the future but we continue to evaluate the matter.
Implications of water on your key commodities/raw materials	Not relevant, explanation provided	We actively monitor water risks across our operations and have determined there are minimal water risks associated with our key commodities/raw materials. This is not anticipated to change in the future but we continue to evaluate the matter.
Water-related regulatory frameworks	Relevant, always included	Maintaining regulatory compliance at each of our facilities is essential for operation. WR Grace is in compliance with all applicable regulations across each of our facilities and monitors its risks through that process. This is not anticipated to change in the future.
Status of ecosystems and habitats	Not relevant, explanation provided	WR Grace maintains compliance with all applicable regulations regarding water quality of its discharge and its impact on ecosystems and habitats is anticipated to be minimal as a result. We will continue monitoring this in the future to determine relevance to our operations.
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	Access to fully-functioning, safely managed WASH services for all employees is guaranteed at all WR Grace facilities.
Other contextual issues, please specify	Please select	

W3.3c

(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Customers	Relevant, not included	Grace is currently undergoing an update to its water-related risk assessment methodology. Customers are a relevant stakeholder as they seek products that have minimal impact on the environment and water systems. We seek to have our updated risk analysis completed within two years.
Employees	Relevant, not included	Grace is currently undergoing an update to its water-related risk assessment methodology. Employees are a relevant stakeholder as WR Grace needs to supply employees with access to water facilities. We seek to have our updated risk analysis completed within two years.
Investors	Relevant, always included	Investors are relevant because our key investors may be concerned about water issues related to our business and want assurance that we are managing them appropriately. This demand for water risk information is expected to increase in the future.

	Relevance & inclusion	Please explain
Local communities	Relevant, not included	Local communities are relevant because they are impacted by the water use and discharge of WR Grace facilities. We do not currently have the ability to monitor this in our risk assessment but hope to include in the future.
NGOs	Relevant, sometimes included	NGOs are relevant because they can provide critical knowledge of specific water-related issues for our industry. WR Grace is a member of the American Chemistry Council and responds to concerns voiced about water concerns related to that partnership.
Other water users at a basin/catchment level	Relevant, sometimes included	Community action panels are relevant as they are focused on securing access to clean, fresh water for their community. WR Grace is a member of community action panels at several of our worldwide sites. Additionally, WR Grace participates in water-related risk assessments at these facilities.
Regulators	Relevant, always included	Regulators are relevant as we participate in meetings with regulatory entities at a variety of levels. Risk associated with regulators is evaluated as a part of our standard risk assessment and is not anticipated to change in the future.
River basin management authorities	Relevant, not included	River basin management authorities are relevant as they are impacted by the water use and discharge of WR Grace facilities. We do not currently have the ability to monitor this in our risk assessment but hope to include in the future.
Statutory special interest groups at a local level	Relevant, sometimes included	Statutory special interest groups are relevant as they represent the water interests of other water users. Where it is applicable, WR Grace considers the risk associated with all local groups.
Suppliers	Relevant, not included	Our suppliers are relevant as they are reliant on access to sufficient quantity and quality of water. We do not currently have the ability to monitor this in our risk assessment but hope to include in the future.
Water utilities at a local level	Relevant, sometimes included	Water utilities are relevant as they help us develop an understanding of our specific water risks and potential solutions at the local level. They also are significant providers of water of sufficient quantity and quality for our processes. Where facilities rely on water utilities, WR Grace considers the risk associated with water utilities.
Other stakeholder, please specify	Please select	

W3.3d

(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

In the 2019, we launched an initiative to identify our water-related risks within our direct operations so that we could assess priority locations for water stewardship activities and set water risk reduction targets to respond to any identified issues. As part of this initiative we began the process of reviewing at-risk facilities within our direct operations through the use of the WRI Aqueduct tool and evaluating facilities for opportunities for water usage efficiency. The results of this initiative will help inform our future water strategy and will be disclosed in our 2021 CDP response.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

No

W4.1 a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

At this time, WR Grace recognizes a 'substantive impact' in regard to water-related risks as one that may significantly affect our profitability or business strategy. We depend on readily available, clean water to maintain our global operations. We are committed to the responsible management of our water resources and acknowledge that significant changes in water availability could have a direct or indirect impact on our company and supply chain. We recognize water of suitable quality and volume is a finite resource.

W4.2b

(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Evaluation in progress	In 2019, Grace began an evaluation of water risks within its direct operations using external consultants and publicly available tools (WRI Aqueduct). Risks to be evaluated include, but are not limited to, water stress, flooding, and water quality. We anticipate this water risk analysis to be completed in 2020.

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Not yet evaluated	To date, water availability outside of our direct operations has not been evaluated.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Products and services

Primary water-related opportunity

Reduced impact of product use on water resources

Company-specific description & strategy to realize opportunity

Food, Beverage, and Pharma companies as part of our Materials Technologies Business and Petrochemical companies as part of our Refining Technologies business are reliant on the availability of water for their products and processes. Grace recognizes the importance of this to our customers as outlined in W3.3c. Grace has worked with our customers in water intensive industries to develop products specifically designed to reduce water consumption. For example Grace's Daraclar 9000HP reduces water consumption during filtration and stabilization for beverage companies leading to significant water savings in these process steps.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

50000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact

This figure is a rough estimate indicating the potential of additional annual sales in existing products across our Materials Technologies and Refining Technologies businesses that reduced water consumption as a key sustainability endpoint.

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

No, but we plan to develop one within the next 2 years

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	Please explain

Position of individual	Please explain
Board-level committee	The Corporate Responsibility Committee assists the Company's Board of Directors and management in addressing the Company's responsibilities as a global corporate citizen (including its responsibilities to its various stakeholders, such as shareholders, customers, employees and the communities in which the Company operates). The Committee addresses the Company's responsibilities in a wide range of areas, including affirmative action, equal employment opportunity and diversity initiatives; corporate contributions and community service programs; corporate training programs; sustainability; environmental, health and safety matters, and water-related issues as they rise to the level of importance that would have a substantive impact on the operations or finances of the company.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Reviewing and guiding strategy	The Corporate Responsibility Committee in consultation with management and/or other Committees of the Board: (a) evaluate the Company's procedures, programs, policies and practices with respect to its responsibilities as a global corporate citizen, including the review and development of strategy with respect to water and its impact on operations and (b) in appropriate circumstances, recommend the amendment of the foregoing and/or the adoption of new procedures, programs, policies and/or practices.

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Other C-Suite Officer, please specify (Senior Vice President Government Relations and Environment, Health, and Safety)

Responsibility

Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Half-yearly

Please explain

The Senior Vice President Government Relations and Environment, Health, and Safety is responsible for assessing and conveying water related risks to the board of directors on an as needed basis.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	No, not currently but we plan to introduce them in the next two years	

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, trade associations

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

Grace has established a Government Relations group which is responsible for directing all political activity and coordinating company interactions with Government Officials in all countries in which Grace conducts business. The Vice President of Government Relations and Environment Health and Safety is also our chief corporate officer responsible for developing and implementing climate change related policies. We have established mechanisms, such as our EHS policy and Responsible Care Management system, to ensure that activity seeking to externally influence policy agendas aligns with the company's commitments and strategic objectives.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

No, and we have no plans to do so

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	5-10	We succeed when we deliver value to our customers, and that success is increasingly based on how we help them meet their sustainability goals, including their water related targets and metrics. For example, many of our products and technical services improve the efficiency of our customers’ products and processes helping them to reduce their water use.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	As part of a strategic review of our product portfolio, in 2019 we identified the products that directly contribute to our customers’ sustainability objectives. Those objectives include water-related issues. For example, we evaluated products designed to improve “use-phase efficiency” including reducing water consumption.
Financial planning	Yes, water-related issues are integrated	5-10	Grace takes into account water withdrawal volume and discharge quality requirements for our production facilities and warehouse operations as part of its capital allocation planning process. Increased capital expenditures on new technologies, process modifications, and raw materials to reduce water consumption, withdrawal, and discharge. These actions ensure the continued operation of our facilities in compliance with regulatory permits and that Grace is able to meet the expectations of our customers and the value chain.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

0

Anticipated forward trend for CAPEX (+/- % change)

0

Water-related OPEX (+/- % change)

0

Anticipated forward trend for OPEX (+/- % change)

0

Please explain

WR Grace is reporting 0% changes as this is not a metric that is currently tracked. We hope to build in this ability in the future.

W7.3

(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?

	Use of climate-related scenario analysis	Comment
Row 1	No, but we anticipate doing so within the next two years	

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

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

Please explain

Water has not historically been a material risk to our organization. We have therefore not set an internal price of water to account for water related risks to our operations.

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Site/facility specific targets and/or goals	None are monitored at corporate level	Goals for specific water reduction and water quality targets may be established in an individual as needed basis and are based on specific objectives, targets, and risks for a facility. These targets are monitored as key performance indicators for that facility by facility management.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1 a)?

No, but we are actively considering verifying within the next two years

W10. Sign off

W-FI

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

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Senior Vice President Government Relations and Environmental Health and Safety	Other C-Suite Officer

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

No



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