

Xylem's Climate Action Plan

MAY 2022

This Climate Action Plan summarizes our commitments for minimizing our operational and supply chain carbon footprint, providing environmentally responsible products and services and transparently reporting out on our climate, water and waste activities.

This Climate Action Plan applies to all Xylem businesses, facilities, employees and suppliers. Overall implementation of this plan is the responsibility of our 17,000 global employees under the leadership of our Chief Sustainability Officer, Chief Executive Officer, Senior Leadership Team and our Board of Directors.



Water and Climate Change

Water plays a pivotal role in climate change's impacts on communities, businesses and ecological systems. We are taking steps to reduce the carbon footprint of our operations, services, products and supply chain.

We continue to enable our customers and the communities they serve to protect water resources in the face of climate change, whether in the form of addressing issues of water access and affordability or building more resilient infrastructure for increasingly

severe weather. We recognize diversity and equity as critical tools for addressing the climate change and believe it is our responsibility to work towards a more equitable future as a core part of our leadership role in the water sector.

Xylem's Guiding Principles

We believe an approach to sustainability and climate change must be holistic and include all of Xylem's stakeholders. Our sustainability strategy is centered around the three pillars of our sustainability framework: Serving our Customers, Building a Sustainable Company and Empowering Communities.

Our Chief Executive Office and Senior Leadership Team lead our business segments and functional teams—all of which integrate sustainable processes and outcomes into our business strategy and execution. Our Chief Sustainability Officer is responsible for Xylem's sustainability reporting and

leadership. Xylem's sustainability strategy, including our approach to climate change, is periodically reviewed with our Board of Directors and its committees.

Technology and Solutions for the Water Industry

Xylem's broad portfolio of water technology and solutions makes us uniquely positioned to address climate change's impact on water. We continue efforts to make sustainability core to our product and solutions portfolio and our product

development pipeline. Once in use, our products help our customers reduce their carbon footprint, increase the efficient use of water and reduce the need for ancillary operations such as service truck deployments.

Xylem's Commitment, Opportunity and Impact

In 2019, we published our 2025 sustainability goals that advance environmental stewardship in our Company, including our supply chain, enable our Customers to strengthen their stewardship and empower our Communities to become more resilient and equitable.

Our technology helps our customers achieve their own sustainability goals such as reducing the carbon footprint of their operations, reusing wastewater and protecting the natural environment from pollution.

In the regions in which Xylem operates, we aim to be exceptional stewards of the natural resources impacted by our operations and to ultimately minimize our environmental footprint.

In our Communities, we work to educate and create awareness

about water's role in climate change and empower communities with improved clean water and sanitation services.

We annually update our progress relating to our 2025 goals in our annual sustainability report, which includes the following climate-related goals:

- Reduce over 3.5 billion m³ of non-revenue water, equivalent to the domestic water use needs of over 55 million people annually
- Treat 13 billion m³ of water for reuse, equivalent to the domestic water use needs of over 197 million people annually
- Prevent over 7 billion m³ of polluted water from flooding communities or entering local waterways
- Provide access to clean water and sanitation solutions for at least 20 million people living at the base of the global economic pyramid

- Reduce water's CO₂e footprint by over 2.8 million metric tons, equivalent to 46 million tree seedlings growing for 10 years
- 100% renewable energy at our major facilities*
- 100% process water recycling at our major facilities*
- Achieve zero waste to landfill from processes at our major facilities*
- Ensure packaging material consists of 75% reusable, recyclable or compostable content

Power of Partnering

We recognize the importance of joining forces with our fellow companies, governments, non-profits and academic institutions across the globe to advance sustainability related commitments. As such, we are signatories to the following commitments related to climate change:

- United Nations Global Compact
- CEO Water Mandate
- American Business Action Climate Pledge
- United Nations *Care for Climate*
- Science-Based Targets initiative's Business Ambition for 1.5°C
- United Nations Framework Convention on Climate Change *Race to Zero Campaign*

Advancing our Commitment Across the Ambition Spectrum:

In this Climate Action Plan, we advance our commitment to mitigating climate change to fully integrate across all aspects of our business.

We have committed to setting science-based targets (SBTs) for emissions reduction via the Science-Based Targets initiative (SBTi) following climate science and guidance from the Paris Agreement. We will submit our Scope 1, 2, and 3 targets for verification by the SBTi in 2022. Our SBTs will serve as our 2030 interim targets on our way to net-zero.

We have committed to setting a 2050 net-zero target following the standards set by the SBTi in conjunction with the CDP, the United Nations Global Compact, the World Resources Institute, the World Wildlife Fund and the We Mean Business Coalition. This will commit us to continued emissions reductions in line with a 1.5°C pathway, as well as carbon removal offsets equal to any remaining emissions.

We have also joined the United Nations Framework Convention on Climate Change (UNFCCC) *Race to Zero* campaign which urges companies, cities, and other non-state actors to send a strong signal of support for bold climate action by pledging to reach net-zero emissions by 2050. Additionally, the *Race to*

Zero campaign requires Xylem to “set an interim target which reflects maximum effort toward or beyond a fair share of the 50% global reduction in CO₂e by 2030.”

We will demonstrate where our commitments fall on the Ceres Ambition Spectrum moving Xylem closer towards robust goals and transition plan elements such as continuous clean energy actions, R&D, policy alignment, collective action initiatives, and capital allocation among others.

We will continue to gain an accurate understanding of our carbon footprint and handprint, regularly evaluating our carbon-reduction targets and climate goals. We will draft a detailed road map showing how we will meet our targets, including the financial opportunities and risks related to those targets.

We have conducted a Task Force on Climate-Related Financial Disclosure (TCFD) Scenario Analysis for transition and climate-related physical risks and are developing business-relevant metrics for ongoing management and reporting of climate-related issues.

We will continue to identify our potential impacts on SDG 6: “Ensure availability and sustainable management of water and

sanitation for all” and SDG 13: “Take urgent action to combat climate change”—both positive and negative—as well as what we are currently doing and what we plan to do in the future to increase our positive impacts and improve upon the negative.

We will continue to reduce our Scope 3 emissions, especially those from purchased goods and services, fuel- and energy-related activities, upstream transportation & distribution, waste generated in operations, business travel, employee commuting, downstream transportation & distribution, and use of goods sold.

We will report transparently on our climate and water risks, targets, and goals in the future through, as appropriate, our annual 10-K, Proxy Statement, Sustainability Report, GRI, SASB, TCFD and CDP Climate Change and Water Security disclosures.

We will continue to raise climate and water-related topics to our Board’s agenda, revealing more details about our climate risks and carbon abatement efforts—and their effects on revenue and earnings—as well as cumulative reductions in emissions and other environmental impacts.

We will work closely with our suppliers to reduce their carbon footprint throughout

our supply chain and request them to:

- Report Scope 1 and 2 emissions, as a minimum, to CDP Climate Change
- Develop a GHG emissions inventory and baseline
- Reduce absolute GHG emissions annually through energy efficiency projects, green power purchases and other measures
- Implement actions to reduce environmental impacts. These include efforts to improve energy efficiency, reduce greenhouse gas emissions, recycle materials, curtail or phase-out use of toxic substances, minimize waste, and conduct life-cycle assessments of products.

We will help our colleagues, including those in sales, finance, accounting, operations, risk,

marketing, human resources and investor relations, to understand disclosure trends, our energy transition and climate plans, and how those plans will affect growth and earnings, brand reputation, talent strategy and M&A strategy, among other things.

We will work closely with our customers to help them in their journey to decarbonize their own operations through education, awareness and the products and services they use to reduce their carbon footprint.

We will also continue to develop products and services that will help address the climate crisis and will improve the transparency of our own products' footprint to our customers.

We will forge and leverage partnerships with non-governmental organizations,

universities and scientific bodies to accelerate innovation in this area. We will also continue to work with financial institutions regarding our green financing investments in climate technology and net-zero targets.

We will aim to more actively advocate for policies that will support net-zero. We believe that ambitious climate policies will be essential to enable the world to meet the Paris climate goals, including achieving global net-zero GHG emissions.

We often hear that climate change will first be felt through the impacts on water. As a leading global water technology company, we recognize that it is incumbent upon us to lead the way for ourselves and for future generations to come.

* Major facilities are defined as those 22 facilities with manufacturing activities that are the top contributors to Xylem's water, waste, or GHGs metrics or located in areas with extreme high water-stress risk .