

xylem

20

23

Sustainability Report

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About this report

The 2023 Sustainability Report describes our approach and performance on the sustainability topics that are of most interest to our stakeholders, including where Xylem can have the greatest impact. It encompasses our fiscal year from January 1, 2023, to December 31, 2023 (published in May 2024), for all entities under Xylem's operational control.

This report was prepared *with reference to* the standards of the Global Reporting Initiative (GRI). In prior years, the reporting was done *in accordance with* the standards, but we are currently aligning the results of our double materiality assessment with our sustainability reporting practices. We also integrated disclosures in accordance with the standards of the Sustainability Accounting Standards Board (SASB).

In this report, we use the terms "legacy Xylem" and "legacy Evoqua," which refer to the business and operations of each legacy organization prior to Xylem's acquisition of Evoqua on May 24, 2023. Several metrics were reported separately through the end of 2023. "Xylem" refers to the combined company.

Except where otherwise noted, the 2023 sustainability data in this report has been presented on a consolidated basis for legacy Xylem and legacy Evoqua. For the years 2019 to 2022 and in cases where it was not possible to consolidate data (e.g., due to the companies' different fiscal years or data availability), we disclose the data separately. We have restated certain data that deviates 5% or more from our prior reports. The basis for restating previously reported data, the relevant calculation methods, and the data limitations are explained in the appendix of this report under "Accounting principles" on p. **72-74**.

We based our reporting on the best available data, though we note that data collection methods are maturing and improving, and we expect this to continue.

Selected data on key performance indicators is subject to limited assurance by Lloyd's Register Quality Assurance (LRQA), and can be found on p. **82-84**.

To share your thoughts and suggestions, please contact us at sustainability@xylem.com

Forward-looking statements

The statements included in this report regarding future performance and results, expectations, plans, strategies, priorities, commitments, and other statements, including those related to our social, environmental, and other sustainability goals, that are not historical facts are forward-looking statements within the meaning of the U.S. federal securities laws.

Forward-looking and other statements in this report regarding our environmental and other sustainability plans and goals are not an indication that these statements are necessarily material to investors, to our business, operating results, financial condition, outlook or strategy, to our impacts on sustainability matters or other parties, or are required to be disclosed in our filings with the Securities and Exchange Commission ("SEC") or other regulatory authorities. In addition, historical, current, and forward-looking social, environmental, and sustainability-related statements may

be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future. Forward-looking statements are based upon current beliefs, expectations, and assumptions and are subject to significant risks, uncertainties, and changes in circumstances that could cause actual results to differ materially from the forward-looking statements.

A detailed discussion of risks and uncertainties that could cause actual results and events to differ materially from such forward-looking statements is included in "Item 1A. Risk Factors" in our Annual Report. Readers of this report are cautioned not to rely on these forward-looking statements since there can be no assurance that these forward-looking statements will prove to be accurate. We expressly disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.



A message from Matthew Pine



As we approach 2025, and the completion of our current set of sustainability goals, we will strive to embed “high impact” into all our sustainability commitments. There are three primary areas where we can play a meaningful role, and to which we are aligning our strategic sustainability goals. In the next five years, we’re committed to:

- Decarbonizing the water sector,
- Accelerating water stewardship practices, and
- Advancing WASH (Water, Sanitation, and Hygiene) access and capacity building

As I complete my first five months as CEO of Xylem, I am excited about the market momentum we have – and by our deep sense of responsibility to deliver solutions and services that enable a sustainable future.

This past year was genuinely transformational for Xylem – positioning our company for its next phase of growth and global impact. We joined forces with Evoqua in 2023, significantly expanding our capability to protect water resources by helping our industrial customers embed water stewardship in their operations.

Through this combination, we are developing a High-Impact Culture that harnesses the power of Xylem’s talented people and partners.

Our partnership with Idrica expanded our capability to provide a range of digital solutions to water utilities globally. Check out our white paper, [Ripple Effect: A Movement Toward Digital Transformation](#), to learn more about the impact that these solutions are having.

Our entire Xylem senior leadership team is committed to building on our legacy of delivering positive environmental and social impacts. We do this by continually finding new and innovative ways to drive shared value with our customers and communities – and by creating an environment in which our employees can bring their best.

This includes a deep commitment to fostering a diverse workforce and implementing practices that drive equity and inclusion. I look forward to sharing more about our progress toward these focus areas and goals, as the year unfolds.

Matthew F. Pine
President and Chief Executive Officer

A message from Claudia Toussaint



As we continue to embed these three strategic focus areas across the business, we are prioritizing those areas where Xylem can make a meaningful contribution to sustainable development and water security.

Likewise, we have landed on three behaviors that are the foundation of our High-Impact Culture and which play directly into our approach to sustainability and our workforce.

As Xylem’s Chief People and Sustainability Officer, I’ve had the pleasure of thinking critically about Xylem’s greatest asset – our people – and how we create an environment for them to thrive. In addition to our flexible work standards, we provide thoughtful and comprehensive benefits for employees to maintain physical, mental, and financial well-being.

Inspired to Innovate:

By creating an environment that inspires our people, they, in turn, are inspired to make their own impact. Through our Watermark corporate social responsibility program and volunteer time off, our people are empowered to make a difference in their own communities.

Our success is built on an inclusive work environment where everyone plays a pivotal role. In 2023, we also completed a gender pay-equity analysis for countries with significant employee populations. We are working to resolve any remaining pay disparities and improve our annual compensation process.

Maximizing Xylem’s sustainability and social efforts by introducing High-Impact Culture

As we brought Xylem and Evoqua together in 2023, we recognized the need to be intentional in the way we combine the two legacy organization’s cultures, maximizing the best of both organizations. We have an opportunity to elevate the way we work and better respond to customer needs. To embrace this, we are introducing our High-Impact Culture.

For us, “high impact” has always been how we think about our Sustainability program. We have focused our sustainability efforts on three primary areas where we can make the biggest difference: decarbonizing the water sector, accelerating water stewardship practices, and advancing WASH access and capacity building.

Empowered to Lead:

Culture change starts with leadership. To that end, Matthew, and the full senior leadership team have been participating in mentorship, sponsorship, and reverse mentorship programs, actively demonstrating their commitment to diversity, equity, and inclusion.

Accountable to Deliver:

The sustainability reporting world continues to evolve, but our approach to prioritize the areas where Xylem can be truly “high impact” remains the same. We continue to aim for transparency in our results and are committed to Xylem’s purpose of building a more water-secure world.

Our High-Impact Culture will be the cornerstone of our success and instrumental in creating an environment that fosters innovation, leadership, employee development, ownership, and accountability. And I know our customers and colleagues will let us know when we get it right.

Claudia Toussaint
Senior Vice President,
Chief People and Sustainability Officer

2023 highlights

Customers

- >13B m³** of water treated for reuse – 2025 Customer Sustainability Goal reached
- >7B m³** of polluted water prevented from flooding communities or entering local waterways – 2025 Customer Sustainability Goal reached
- 0.8B m³** of non-revenue water reduced
- New 2030 water commitment launched to scale our impact

Company

- 11/22** of our major sites reached all three 2025 Goals (use 100% renewable energy; use 100% process water recycling; achieve zero waste to landfill)
- Launched our High-Impact Culture Read more on p. **40**
- 83%** of global gender pay equity assessment completed
- 87%** of U.S. gender and race/ethnicity pay equity assessments completed

Communities

- >650** suppliers (49% of total spend) signed onto Water, Sanitation, and Hygiene (WASH) pledge
- >43%** of legacy Xylem's global supplier base by spend completed EcoVadis assessment
- \$1B** Added a new five-year \$1 billion revolving credit facility to our suite of green financing tools
- 89%** of legacy Xylem employees volunteered through our Watermark program
- 30** disaster areas provided with humanitarian aid
- 3.8M** people reached with WASH solutions
- 3.3M** people reached with water education
- Joined forces to support the United Nations (UN) Water Action Agenda at UN 2023 Water Conference Read more [here](#)
- Built momentum from COP28 Read more [here](#)

Awards

- 2024 Net Zero Carbon Champion – Global Water Awards Read more [here](#)
- 2024 America's Most Responsible Companies – Newsweek (ranked #2 out of 600 companies) Read more [here](#)
- 2024 Best Place to Work for LGBTQ Equality in the U.S. – Human Rights Campaign Foundation (4th consecutive year against new criteria)
- 2024 Sustainable Debt Awards for Sustainability-linked loan of the year (Americas) Read more [here](#)
- 2024 RoSPA Awards (Royal Society for the Prevention of Accidents) Read more on p. **52**

Our business

Xylem is a leading global water technology company committed to solving the world’s critical water challenges with innovation and expertise. Our approximately 23,000 employees worldwide and global distribution network consisting of direct sales forces and independent channel partners in approximately 150 countries delivered combined pro forma revenue of \$8.1 billion in 2023.

We design, manufacture, and service highly engineered products and solutions across a wide variety of critical applications, primarily in the water sector. Our broad portfolio of products, services, and solutions address customer needs of scarcity, resilience, quality, and affordability across the water cycle, from the delivery, treatment, measurement, and use of drinking water to the collection, testing, analysis, and treatment of wastewater and the return of water to the environment. Some of our market-leading brands have been familiar to customers for more than 100 years.

For financial statement periods ending after January 1, 2024, the Company will report the financial position and results of operations of its Integrated Solutions and Services segment together with the dewatering business, currently within our Water Infrastructure segment, and the assessment services business, currently within our Measurement and Control Solutions segment, in a new segment that will be referred to as Water Solutions and Services.

¹ This business segment was formed on January 1, 2024, and did not exist in the period covered by this report.

Business segments

Water Infrastructure

Our Water Infrastructure segment primarily supports the process that collects water from a source, treats it and distributes it to users, and then treats and returns the wastewater responsibly to the environment through two closely linked applications: Transport and Treatment.



Applied Water

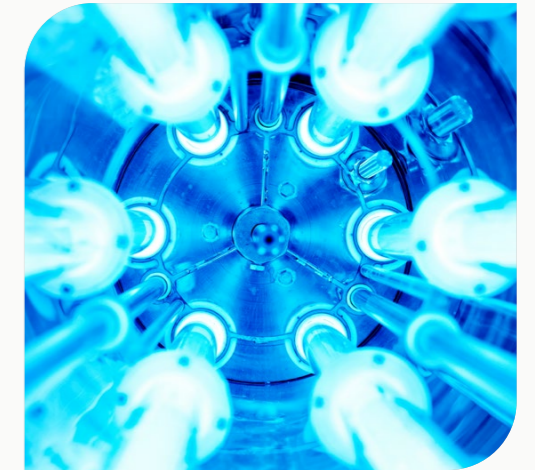
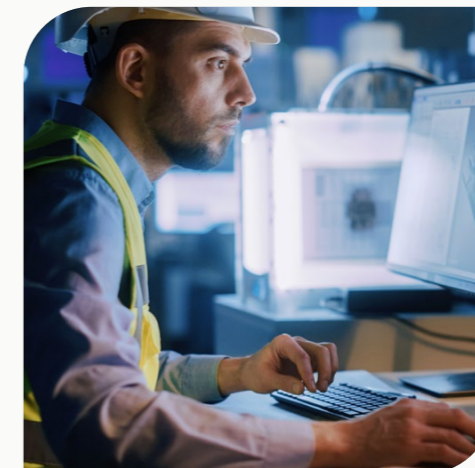
Our Applied Water segment encompasses the use of water to serve a diverse set of customers in the commercial, residential, and industrial end markets.

Residential consumers represent the end users in the residential market, while owners and managers of properties such as apartment buildings, retail stores, institutional buildings, restaurants, schools/universities, hospitals, and hotels are examples of end users in the commercial market. The industrial market includes original equipment manufacturers (OEMs), exploration and production firms, agricultural customers, and developers and managers of industrial facilities, such as electrical power generators, chemical manufacturers, machine shops, clothing manufacturers, marine, food and beverage companies, and car washes.

Measurement and Control Solutions

Our Measurement and Control Solutions segment develops advanced technology solutions that enable intelligent use and conservation of critical water and energy resources. It delivers communications, smart metering, measurement and control capabilities, and critical infrastructure technologies that allow customers to use their distribution networks more effectively for the delivery, monitoring, and control of critical resources such as water, electricity, and natural gas.

We also provide analytical instrumentation used to measure and analyze water quality, flow, and level in clean water, wastewater, and outdoor water environments; and software and services including cloud-based analytics, remote monitoring and data management, leak detection, condition assessment, asset management, and pressure monitoring solutions.



Water Solutions and Services¹

Our Water Solutions and Services segment provides tailored services and solutions, in collaboration with customers and backed by lifecycle services, including on demand water, outsourced water, recycle/reuse, specialty dewatering, and emergency response service alternatives to improve operational reliability, performance, and environmental compliance.

Key offerings within this segment also include equipment systems for industrial needs (influent water, boiler feed water, ultra-high purity, process water, wastewater treatment, and recycle/reuse), full-scale outsourcing of operations and maintenance, and municipal services, including odor and corrosion control services, as well as leak detection, condition assessment, and asset management, and pressure monitoring solutions.

Sustainability at Xylem

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Sustainability strategy

Sustainability is at the core of everything we do – from our own operations to the solutions we provide customers that impact communities around the world. Setting high sustainability standards enables our growth and purpose: to build a sustainable and resilient company while advancing the smarter use of water and empowering our customers to solve global water challenges.

Supply Chain

Partnering with suppliers to develop a responsible, resilient, transparent, and diverse supply chain while supporting their own sustainability journey.



Operations

Conducting our business with integrity, minimizing our environmental footprint, protecting health and safety, and promoting employee well-being.



Product

Delivering products that help reduce our customers' environmental impact and delivering on our commitment to product safety and minimizing our products' footprint.



Customers

Helping our customers reduce water scarcity and loss, and optimize water systems to make water more affordable through our wide range of products and application expertise.

Sustainable finance

Leveraging our leadership in sustainability to develop attractive and sustainable financial strategies.



Communities

Promoting sustainability and water stewardship worldwide through thought leadership, innovative solutions, technical expertise, community partnerships, and a commitment to youth education.

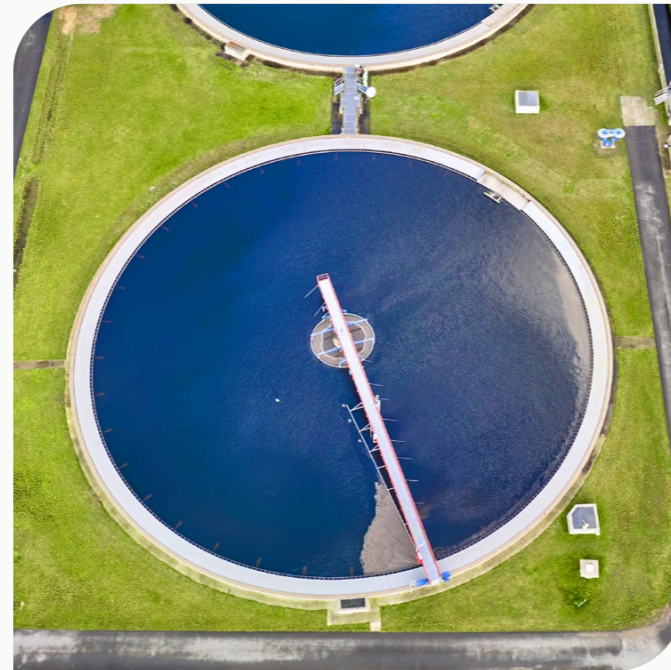


Our impact across the value chain

We build strong partnerships committed to sustainability by working across our entire value chain. Engaging suppliers, colleagues, customers, and other partners in practices that support a healthy business ecosystem is key to driving positive change across the industry.



Our customers



Our customers are critical partners in solving the world's water and sustainability challenges. With our wide range of products and application expertise, we help our customers manage water scarcity, reduce water loss, and optimize water systems to make water more affordable.

Our technologies and solutions enable water operators to monitor and manage water resources more effectively. Our solutions help prevent stormwater pollution, protect against flooding, reduce water demand, and reduce greenhouse gas (GHG) emissions so water operators and communities can better mitigate and withstand the effects of climate change.



Our company



Integrating sustainability into everything we do is crucial to building a resilient and profitable business. We strive to conduct our business with integrity, minimize our environmental footprint, continuously improve the quality of our products, protect health and safety, promote the well-being of our employees, and foster diversity, equality, and inclusion.



Our communities



Communities around the world face mounting challenges when it comes to accessing reliable and safe water sources. Through our innovative solutions, technical expertise, community partnerships and commitment to youth education, we continue to promote sustainability and water stewardship worldwide.

Our three strategic pillars

Three strategic pillars guide our actions to achieve Xylem’s ambitious Sustainability Goals for 2025 and beyond. They address the greatest challenges our stakeholders face and highlight where Xylem and our solutions play a unique role in creating lasting, positive impact. As 2025 approaches, we are looking ahead to 2030 and setting ambitious commitments aligned with each pillar.

This year, we are adding commitments in two of our pillars to complement commitments already underway.



In April 2024, Global Water Intelligence recognized Xylem’s leadership for the second time, with its “Net Zero Champion” Award



Decarbonize the water sector

Water and wastewater utility operations are estimated to contribute more than 2% of global GHG emissions. Water use and management accounts for roughly 10%, including the energy to move water, agriculture-related use,

treatment, and many other areas in which water services are critical to our daily lives. Water is often discussed in the context of climate adaptation – extreme weather, drought, and unreliable access to services – but more rarely in relation to climate mitigation.

We remain committed to achieving net-zero emissions by 2050 and meeting more immediate targets in the interim. We also see the opportunity to promote adoption of technologies that will bring the entire water sector to

net-zero emissions faster, working with utilities to help them achieve their climate targets. We provide solutions across the water lifecycle – with a particular focus on water and wastewater utilities – and play a leadership role in promoting net-zero ambitions across the water sector, globally.

Given our emissions profile, achieving our Scope 3 intensity reduction target depends on global transition to renewable energy sources. See p. 30-32 for further detail.

We will accelerate the water sector’s need to decarbonize through:

- Working with partners to increase the resources available for utilities on net-zero journey.
- Partnering with regulators on utility decarbonization.
- Raising awareness in global climate action community.
- Providing industry thought leadership.

We will decarbonise the water sector through the following:

Supply Chain:

- Increasing visibility of emissions through CDP and Ecovadis.
- Reporting blended Scope 3, Category 1 emissions to include actuals from CDP reporting and financial model for the first time in 2023.

See p. 30-31, 53, and 55 for more information.

Scope 1:

Committing to transitioning to lower emission fleet options such as EV/Hybrid, as most of our Scope 1 emissions are linked to our fleet.

See p. 32 for more information.

Scope 2:

- Continuing to transition towards renewable energy to achieve our 2025 goal of 100% renewable energy at major facilities while also focusing on legacy Evoqua facilities in the coming years.

See p. 30 for more information.

Scope 3:

As more than 95% of our Scope 3 emissions lie in Category 11 (Use of sold products), our reduction relies on:

- Evolution of solution mix to greater digital and services revenue.
- Global “grid greening”.
- Partnership with customers to utilize more renewables.

Impact of our solutions:

- Continuing to increase visibility in full life cycle (LCA) of products, by piloting first full LCAs in several product lines and producing first product sustainability report.
- Increasing visibility into end-of-life waste-related emissions.
- Continuing to measure “use phase” emission abatements for customers.

See p. 37 for more information.

Accelerating new solutions:

- Partnering with Xylem Innovation Lab to advance decarbonization solutions.
- Partnering with LORENTZ to provide greater solar options to portfolio.

We hold ourselves accountable by setting our own decarbonization targets:

- 2025 Goal to reach 100% renewable energy at major facilities.
- 2025 Goal to enable customers to reduce their GHG footprint by more than 2.8M metric tons.
- Setting science-based targets for Scope 1, 2, and 3 by 2025 and committing to net-zero by 2050.
- Tying objectives to compensation and green finance commitments.
- Increasing visibility for our customers with reporting.



Accelerate corporate water stewardship

Responsible water stewardship is an increasing priority for industrial and commercial building users. Many industries are recognizing that reliable water sources and management are integral to reducing business disruption risks, as well as to achieving responsible stewardship commitments for their communities and the environment. At the 2023 UN Water Conference, the first since the 1970s, the Global Commission on Water released a report with projections that global freshwater demand will outpace supply by 40% by 2030.

In response, more companies are setting water stewardship commitments and assessing their impact on local watersheds. With the addition of Evoqua's suite of solutions for the industrial water market, Xylem is a technology and services partner of choice, enabling water operators to advance water stewardship and reduce risks related to changing water resources. Additionally, water and wastewater utilities play a key role in watershed stewardship and are often the first to feel the effects of the climate crisis, such as severe storms or drought-related shortages. We are bringing innovative technology and approaches to more effectively manage and use water resources, while also continuing to expand services to underserved communities.

We also consider our water stewardship practices across our entire value chain. We are reducing our water intensity across our operations by 30% and will increase visibility and reporting of water stewardship practices in our supply chain. Our 2030 commitments also focus on empowering our partners to achieve their water commitments with our solutions and expertise.

In line with those commitments, we are adding greater visibility into how much our solutions help customers reduce their water demand. To quantify that impact, we are looking predominantly at how reuse and leak detection reduces customers' annual water demand. For example, when installing a reuse application, we calculate the total anticipated treated volume the solution will process each year to estimate the annual reduction in customer demand for source water. We will only quantify a solution's annual impact in the year it is sold.

Combined, Xylem and Evoqua have a powerful portfolio of solutions to reduce annual water demand. We anticipate adding further solutions as we continue to integrate our systems and capabilities, and will update stakeholders on progress via our annual sustainability report. Our water stewardship goal is supported by three targets that directly align with [SDG 6 targets 6.3, 6.4, and 6.5](#).

Reduce global water demand with our solutions and services, greater accountability in our supply chain, operational efficiencies, and impactful partnerships.

- Enable customers to reduce demand by at least **2B cubic meters** through 2030.
- Reduce Xylem's water intensity by **30%** through 2030.
- Reduce the water intensity of our supply chain through greater accountability of our high-impact suppliers through 2030.



Advance water, sanitation, and hygiene (WASH) access and capacity building

Today, the demand for clean, safe, and affordable water exceeds available supply. More than 1.4 billion people live in areas of high water vulnerability, according to UNICEF ². More than 840 million people lack access to drinking water, and 2.3 billion to latrines or other basic sanitation facilities ³.

In communities around the world, water scarcity is being exacerbated by the changing climate, population growth, poor water management, conflict, and increased migration. The least-served communities endure impact on health and nutrition, childhood education, family poverty, and broader economic development. Women and girls suffer disproportionately.

Through Xylem Watermark, we improve WASH access in under-resourced, water-insecure communities. Over the past four years, working toward our 2025 Goal of providing WASH access to 20 million people, we have gained valuable insights and built strong partnerships.

Leveraging those partnerships, our technology, and our ability to advance innovative models, we have committed to expanding our impact to an additional 80 million people through 2030. We will focus on climate-resilient WASH access and capacity-building in under-resourced, water-insecure communities. Collaboration remains crucial, involving our NGO and business partners, our employees, and the wider community.

Improve water security for 100M people through 2030 with climate resilient technology, capacity building, and partnerships.

- Reach an additional **80M** people by enabling climate resilient WASH access and capacity building in under-resourced, water-insecure communities through 2030 (adding to existing 20M goal by 2025).

² UNICEF – Water security for all (2021)

³ UNICEF – Water and sanitation

Our commitment to a more water secure future



Decarbonize the water sector

Lead by example and enable customers to reach net-zero GHG emissions, by...

- Developing **1.5°C science-based targets for GHG reductions across Scopes 1, 2, and 3** by 2025.
- Reaching **net-zero** by 2050.



Accelerate corporate water stewardship

Reduce global water demand with our solutions and services, greater accountability in our supply chain, operational efficiencies, and impactful partnerships, by...

- Enabling our customers to reduce demand by **2B m³** through 2030.
- Reducing our water intensity by **30%** through 2030.
- **Reducing the water intensity of our supply chain** through greater accountability of our high-impact suppliers through 2030.



WASH access and capacity building

Improve water security for 100M people through 2030 with climate resilient technology, capacity building, and partnerships, by...

- Reaching an additional **80M** people with climate resilient WASH access and capacity building in under-resourced, water-insecure communities through 2030.

Spotlight



An interview with Austin Alexander, VP Sustainability & Social Impact, about Xylem's new 2030 water commitment

Q: How does the new 2030 water commitment align with Xylem's overall sustainability and social impact strategy?

Austin: In many ways, our new commitment reflects the evolution of our sustainability and social impact culture at Xylem. We've communicated in the past that we are uniquely positioned to lead by example when it comes to sustainability due to the nature of our business, and this water goal is no different. We work every day to help solve the world's most pressing water challenges alongside our customers. However, we acknowledge our responsibility

to look inward at our own operations and impact. Setting a water stewardship goal connects us to our purpose: to empower our customers and communities to build a more water-secure world. It also communicates our commitment to our new High-Impact Culture. Setting this goal has pushed our teams to be innovative and empowered to lead, and will hold us accountable to deliver results to our stakeholders and communities.

Q: What strategies or initiatives is Xylem planning to implement to reach this water goal?

Austin: Water is a complex challenge and just like any complex challenge, cannot be solved by one person or one company. Our new water stewardship goal is built on the understanding that many players, from our own employees and suppliers to our business partners, will need to be involved to achieve our targets. For example, our stakeholders will help us spread education and awareness when it comes to water insecurity and WASH, we will collaborate with our suppliers on sustainable water management best practices, and we will use our own innovative solutions and water technology experts to reduce our own water consumption.

Q: How is this goal different from Xylem's current 2025 Sustainability Goals?

Austin: Our 2025 Sustainability Goals are still core to our sustainability program, spanning all of Xylem's functional areas. We will continue to work toward achievement of all remaining 2025 Goals still in progress and plan to set 2030 commitments for diversity, equity, and inclusion, fleet sustainability, and safety,

among others. Our new water goal and corresponding targets are based on a 2030 commitment. While it might be obvious, this new goal is focused solely on water and/or water-related risks and opportunities. Our 2025 Sustainability Goals focus holistically on sustainability, with goals related to decarbonization, diversity, employee volunteering, etc. It is our hope that we will continue to see an uptick in water-related goals in our industry and others in the future.

Q: How does Xylem plan to address any challenges or uncertainties associated with achieving this water goal?

Austin: Each functional area is supported by a dedicated team of subject matter experts (SMEs) who stay abreast of the evolving sustainability and water landscape. We recognize that climate change will increasingly strain global water resources, leading to severe impacts on water quality and scarcity. Despite the uncertainties this may bring, we will remain proactive in anticipating and preparing for the impacts of climate change. Our water stewardship goal focuses on enhancing water security, ultimately working to mitigating these impacts.

Our 2025 Sustainability Goals

Our 2025 Sustainability Goals remain the cornerstone of our sustainability program, reinforcing our commitment to environmental and social responsibility.

Following the acquisition of Evoqua, we reviewed the goals of both legacy companies in detail to determine how to best integrate them. In this section, we present our updated 2025 Goals, along with a description of changes and the rationale behind them. Certain goals will remain specific to legacy-Xylem until the end of 2025.

2025 Customer Sustainability Goals

Progress:

In 2023, we reached two significant milestones. Since 2019, we have enabled our customers to treat over 13 billion cubic meters of water for reuse and to prevent over 7 billion cubic meters of polluted water from flooding communities or entering local waterways. These accomplishments complement our previously achieved goal of enabling customers to reduce their CO₂e footprint by over 2.8 million metric tons.

These objectives remain central to our strategy and mission, underscoring our ability to help customers curb GHG emissions, reduce water demand, and implement proactive water management practices. We will continue to track and report on these goals through the end of 2025. For further insights into these objectives, please refer to our Product Sustainability section.

Methodology update:

Our 2025 Customer Goals are directly tied to specific legacy Xylem products. Integrating legacy Evoqua products into these goals would have required methodological changes and the contributions of these products would have been immaterial. While these goals were not combined, we are committed to communicating the positive environmental impact of our combined product line, which is evidenced by our new commitment to reduce global water demand by 2030, which leverages a wide range of solutions from both legacy companies.

Reduce over 3.5 billion cubic meters of non-revenue water

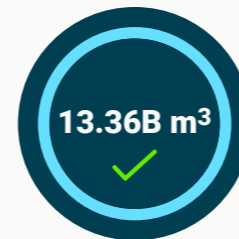


2023 update
+ 0.80B m³

Progress to 2025
2.71B m³

Measurement: Legacy Xylem only

Treat over 13 billion cubic meters of water for reuse

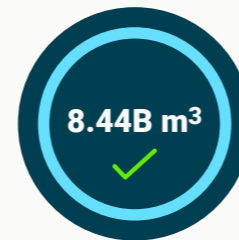


2023 update
+ 3.11B m³

Progress to 2025
Goal exceeded: 13.36B m³

Measurement: Legacy Xylem only

Prevent over 7 billion cubic meters of polluted water from flooding communities or entering local waterways

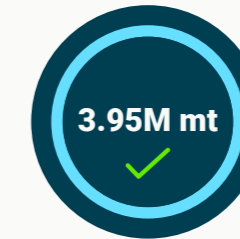


2023 update
+ 1.90B m³

Progress to 2025
Goal exceeded: 8.44B m³

Measurement: Legacy Xylem only

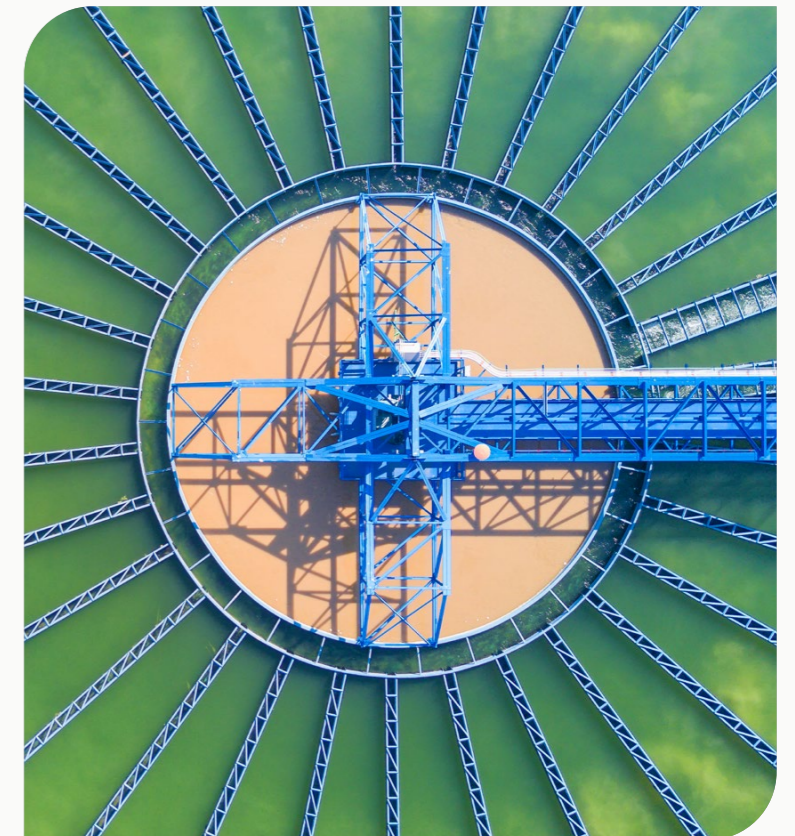
Reduce water's CO₂e footprint by over 2.8 million metric tons



2023 update
+ 1.15M MT

Progress to 2025
Goal exceeded: 3.95M MT

Measurement: Legacy Xylem only



Spotlight



Scottish Water (Stepps, Scotland)

Scottish Water, Scotland's publicly owned water supplier, provides essential water and wastewater services to more than 2.6 million households and 150,000 businesses. In 2019, they committed to achieving net-zero emissions by 2040 by focusing on renewable energy and investing heavily in innovative, environmentally friendly technologies.

In that same year, Scottish Water began working with Xylem to trial the Flygt Concertor pumping system in a few pumping stations to reduce wastewater energy consumption and reactive maintenance. In an initial trial, the Flygt Concertor pumping system reduced unplanned maintenance by 99.8% and reduced energy consumption by approximately 60%.

With the introduction of Avensor, Xylem's digital solution for pump station monitoring, in 2020, Scottish Water saw an additional opportunity to make its operations more efficient. Avensor collects, analyzes, and transmits pump station data via the cloud, giving operators real-time insights into performance. To date, Avensor has been installed in more than 160 pump stations for Scottish Water, with more being added every month, significantly reducing unplanned maintenance and repair callouts.

Reduction of energy use during trial of Flygt concertor: 60%
[Find out more.](#)

Buffalo Sewer Authority (Buffalo, NY, United States)

Aging water infrastructure, the effects of climate change and tight budgets for funding upgrades mean that utilities must innovate to solve critical challenges. In the City of Buffalo, New York, nearly two billion gallons of sewer overflows end up in local waterways each year. We have worked with the Buffalo Sewer Authority (BSA) to enable this customer to manage the large volumes of combined sewer overflows, harnessing the power of machine learning, hydraulic modeling, and data, and analytics to optimize its network regardless of the weather.

Similar to a traffic app, the smart sewer system uses data from sensors across the network to pinpoint buildups of wastewater. This data, enables the BSA to divert flow to underutilized parts of the system when other parts of the network are under pressure. In a city with extremely localized weather patterns, this sensor network allows individual sites to communicate with each other and create capacity where it is needed most.

By using data and analytics, the city was able to improve the quality of local waterways while solving a long-standing problem with reduced investment in new infrastructure. BSA's Smart Sewer or Real Time Control system has achieved 3 billion gallons of combined sewer overflow (CSO) volume reduction since the first two real time control sites were commissioned in 2016. Today there are nine sites in operation with a tenth site coming online this year, reducing CSO volume by roughly 1 billion gallons per year. The BSA is now a greener operation with a solution that limits the need for carbon-intensive infrastructure, enabling the city to make more efficient use of its existing infrastructure and advance its environmental, economic, and water management goals.

Annual CSO volume reduction: 1B gallons
[Find out more.](#)



Beijing Drainage Group (Beijing, China)

In 2016, Beijing Drainage Group (BDG), a leader in adopting digital solutions to address the challenges of water accessibility, affordability, and resilience, launched a three-year digital action plan. BDG focused on digitizing its wastewater treatment plants, leveraging best practices and resources, and partnering with companies like Xylem to realize the full potential of the most innovative digital technologies and solutions. After analysis, it was clear that Xylem's Flygt pumps and mixers would help BDG's integrated treatment plant networks operate more efficiently.

By integrating expertise and resources, BDG developed digital platforms for flood prevention and chemical dosing, establishing the foundation for future treatment plants.

BDG's digital transformation enabled it to increase its operational efficiency and reduce carbon emissions. The Wujiacun sewage plant is a testament to these benefits. BDG's new digital solutions have increased daily processing capacity by 20% and enabled higher pollutant treatment while lowering energy consumption by 10-15%. This optimization is in line with Beijing's carbon neutrality targets, which aim to reduce emissions by 20% by 2025, with plans for further reductions and full carbon neutrality by 2050. BDG's efforts set a benchmark for low-carbon treatment plants and demonstrate the potential of digital transformation to achieve sustainability goals.

Increase in daily processing capacity: 20%
[Find out more.](#)

Silfex (Eaton, Ohio, United States)

Silfex, a leading supplier of precision components used to make and operate semiconductor manufacturing equipment, worked with legacy Evoqua to develop a reverse osmosis membrane for brine recovery and an ultrapure water system that captures process water overflow from Silfex's precision cleaning processes to reuse throughout the company's operations.

The new system will allow the plant to reuse up to 80% of all discharged water, saving millions of gallons annually and reducing the plant's water consumption. The system will also reduce the need for pre-treated municipal source water, resulting in significant savings on water softening salt and other chemicals.

In 2023, Silfex was recognized as the winner of legacy Evoqua's North American Annual Water Sustainability Award after demonstrating remarkable improvements in water sustainability at its Springfield, Ohio facility. The award has been continued as [Xylem's global Sustainability Excellence Award.](#)

Increase in reuse of total discharged water: 80%

2025 Company Sustainability Goals (Operations)

Progress:

As of 2023, 11 of our 22⁴ major facilities have successfully achieved all three major facility goals. An additional five major facilities have accomplished both 100% process water recycling and zero waste to landfill. Two more facilities have reached the milestone of 100% renewable energy.

Methodology update:

We made the strategic decision to maintain the three goals tied to major facilities⁵ specifically focused on the 22 legacy Xylem facilities within our original target scope. Rather than incorporating additional legacy Evoqua facilities into these goals, which would have required extending the timeline for achievement beyond 2025, we opted to integrate legacy Evoqua facilities into other objectives aimed at GHG emissions and water footprints. This integration entails aligning the two legacy companies with updated 2030 science-based targets and a 2050 net-zero commitment. In addition, we are prioritizing reduction of our water intensity at select legacy Evoqua facilities with higher water demand, maintaining our focus on a concerted effort toward achieving our Sustainability Goals.

Use 100% renewable energy at our major facilities⁶



2023 update
Added 2 new facilities

Progress to 2025
19/22

Measurement: Legacy Xylem only

Use 100% process water recycling at our major facilities⁷



2023 update
Added 5 new facilities

Progress to 2025
17/22

Measurement: Legacy Xylem only

Achieve zero waste to landfill from processes at our major facilities⁸



2023 update
Added 5 new facilities

Progress to 2025
17/22

Measurement: Legacy Xylem only

Achieve packaging material consisting of 75% reusable, recyclable, or compostable content



Progress to 2025
Goal achieved: 85% of packaging consists of reusable, recyclable, or compostable content

Measurement: Legacy Xylem only

Develop 1.5°C science-based targets for GHG reductions across Scopes 1, 2, and 3



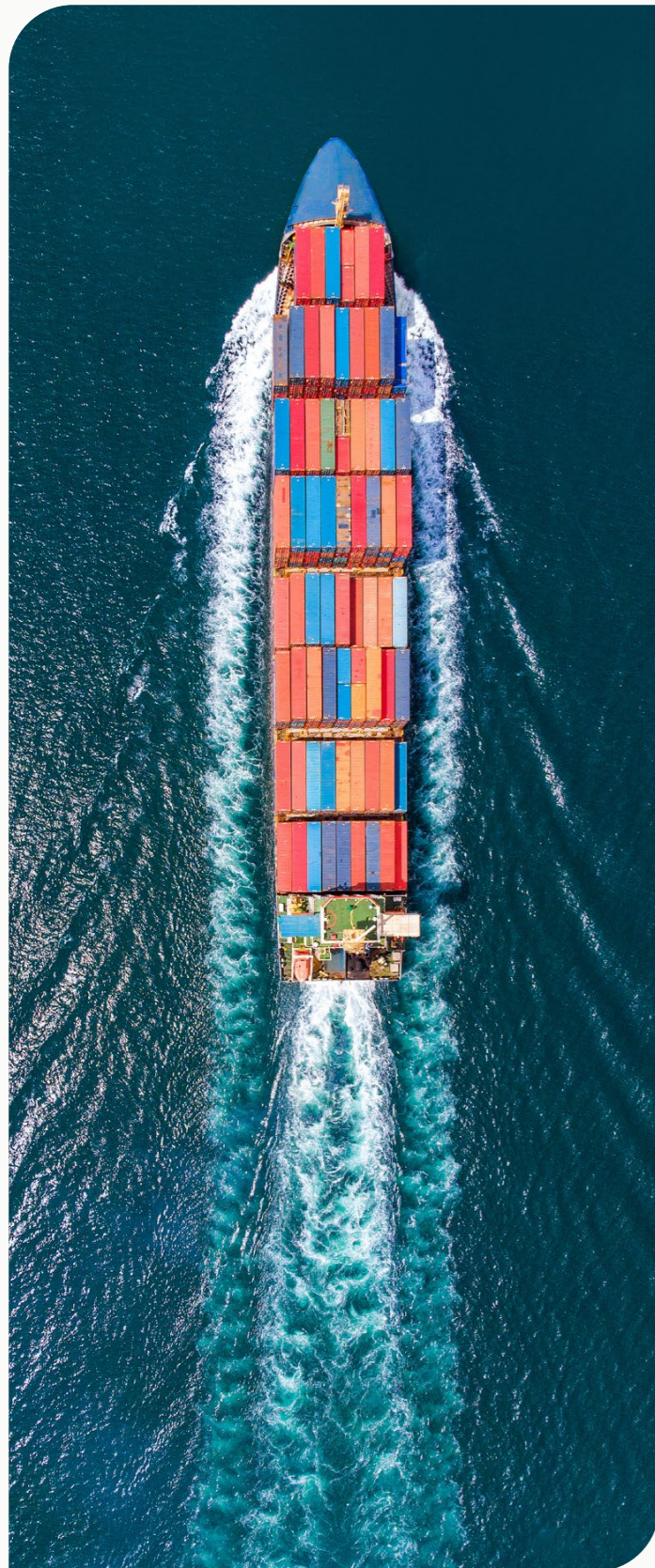
2023 update
We are reevaluating our SBTi targets as a combined company. Validation is expected by 2025.

Measurement: Combined



⁴ Slaton, (Texas) USA, a previously identified major facility, closed in 2023. Since the facility was open for part of 2023, their impact to the goals has been tracked for this reporting year. In reporting year 2024, our major facilities denominator will shift to 21.

⁵⁻⁸ Major facilities are defined as those 22 facilities with manufacturing activities that are the top contributors to Xylem's water, waste, or GHG metrics, or are in areas with extremely high water-stress risk. See more information in the accounting principles on p. 72-73.



2025 Company Sustainability Goals (Supply Chain)

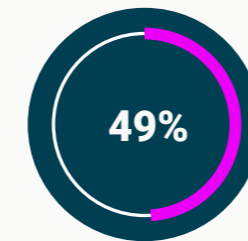
Progress:

In 2023, our total diverse spend in the United States grew, accompanied by an increase in supplier disclosures through CDP and EcoVadis. We take pride in the participation of our suppliers in the WASH4WORK commitment, as it constitutes a fundamental component of our social impact strategy.

Methodology update:

During the initial phase of integration, we successfully consolidated our supplier information, enabling us to combine reporting of the two companies from 2024 onward. However, we encountered variances in baselines between the two companies, necessitating adjustments to certain goals. As a result, our target for U.S. supplier diversity spend was revised from 12% to 9.2% to accommodate changes in supplier, product, and project mix. Although other targets remained unchanged, modifications to our internal key performance indicators (KPIs) were imperative to facilitate alignment with our evolving organizational landscape.

Require suppliers to take the WASH4Work Pledge for access to safe water, sanitation, and hygiene at the workplace

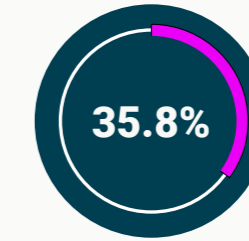


2023 update⁹
+ 9%

Progress to 2025¹⁰
49% of global spend

Measurement: Legacy Xylem. Combined starting 2024.

Require suppliers to disclose Scope 1 & 2 GHG emissions and water usage via CDP Supply Chain

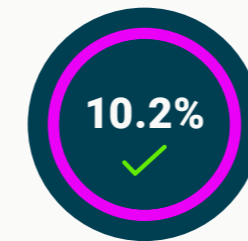


2023 update⁹
+ 3.4%

Progress to 2025¹⁰
35.8% of global spend

Measurement: Legacy Xylem. Combined starting 2024.

Revised Goal: Establish a supplier diversity program and increase supplier diversity to 9.2% of total U.S. supplier spend¹¹



2023 update⁹
+ 1.1%

Progress to 2025¹⁰
Goal exceeded: 10.2%

Measurement: Legacy Xylem. Combined starting 2024.

Engage suppliers in sustainability initiatives through audit programs and corrective action plans

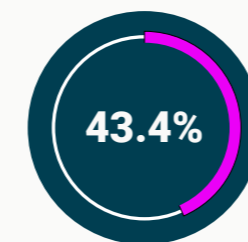


2023 update⁹
Began to include legacy Evoqua supply base

Progress to 2025¹⁰
Continue to evolve and progress both remote and on-site assessments

Measurement: Combination began in 2023.

Require all suppliers to disclose sustainability information via EcoVadis or equivalent



2023 update⁹
+ 3.7%

Progress to 2025¹⁰
43.4% of global spend

Measurement: Legacy Xylem. Combined starting 2024.

⁹ 2023 update based on original legacy Xylem 2025 Goal.

¹⁰ Progress to 2025 based on original legacy Xylem 2025 Goal.

¹¹ **Original Goal:** Establish a supplier diversity program and increase supplier diversity to 12% of total U.S. supplier spend.

2025 Company Sustainability Goal (Workplace)

Progress:

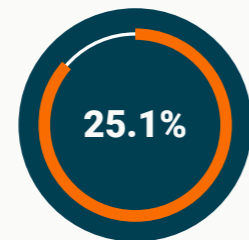
In 2023, we welcomed approximately 4,000 new employees as part of the integration with Evoqua. Notably, our hiring of women for leadership positions surpassed that of men. We also saw an increase in our average learning hours per employee, reflecting our commitment to professional development. We launched "Sustainability 101," Xylem's first formal sustainability training on the Xylem Learning Center, marking a significant milestone in our sustainability initiatives. Additionally, we combined all development programs from both legacy companies in preparation for 2024.

Methodology update:

Following the combination with Evoqua, it was clear we would need to revise certain workplace goals. Leveraging combined data early in our integration process, we opted to maintain all but two of our targets. Our "women in leadership" goal was adjusted from 35% to 29% women in leadership positions¹² by 2025 and from 50% to 35% by 2030. Similarly, our "U.S. minority in leadership" goal now aims for 21% representation in the United States. leadership roles by 2025 compared to the previous 25%, with the target of reaching 25% by 2030.

Challenges in achieving these goals stem from turnover, the availability of, and difficulty attracting, diverse talent in the sector, and lower diversity in legacy Evoqua leadership. Informed by McKinsey research¹³ indicating that Xylem meets or exceeds industry benchmarks for women in leadership, we revised our 2025 diverse representation goals accordingly. Please note that the workforce figures in this report pertain to the combined company, unless specified otherwise.

Revised Goal: Achieve 29% representation of women in leadership positions¹⁴ by 2025, 35% by 2030, through merit-based retention, promotion, and recruitment¹⁵

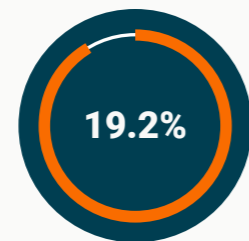


2023 update
- 0.3% (compared to 2022 legacy Xylem %)

Progress to 2025
25.1% / 29%

Measurement: Combined

Revised Goal: Achieve 21% minority representation in U.S. leadership positions¹⁶ by 2025, 25% by 2030, through merit-based retention, promotion, and recruitment

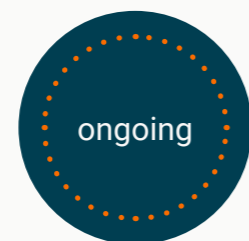


2023 update
- 1.7% (compared to 2022 legacy Xylem %)

Progress to 2025
19.2% / 21%

Measurement: Combined

Assess and monitor equitable pay practices with the goal of eliminating pay differences based on gender, race, or ethnicity



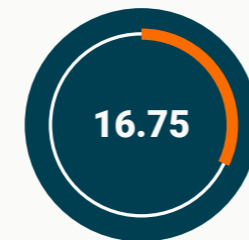
2023 update
Executing plans to reduce and close identified gaps by 2025

Progress to 2025
83% of global gender pay equity assessment completed¹⁷

87% of U.S. gender and race/ethnicity pay equity assessments completed¹⁷

Measurement: Combined

Achieve at least an average of 50 hours per employee per year of rich learning and development opportunities to build Xylem's ability to solve water for decades to come

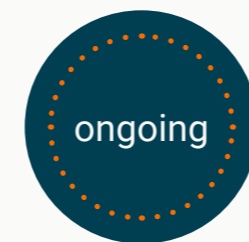


2023 update
16.75 hours per employee

Progress to 2025
16.75/50

Measurement: Combined

Ensure 100% of employees have access to clean water and safe sanitation at home and during natural disasters



2023 update
Refined tracking and addition of legacy Evoqua employees

Progress to 2025
Continue to monitor for any gaps in access

Measurement: Combined

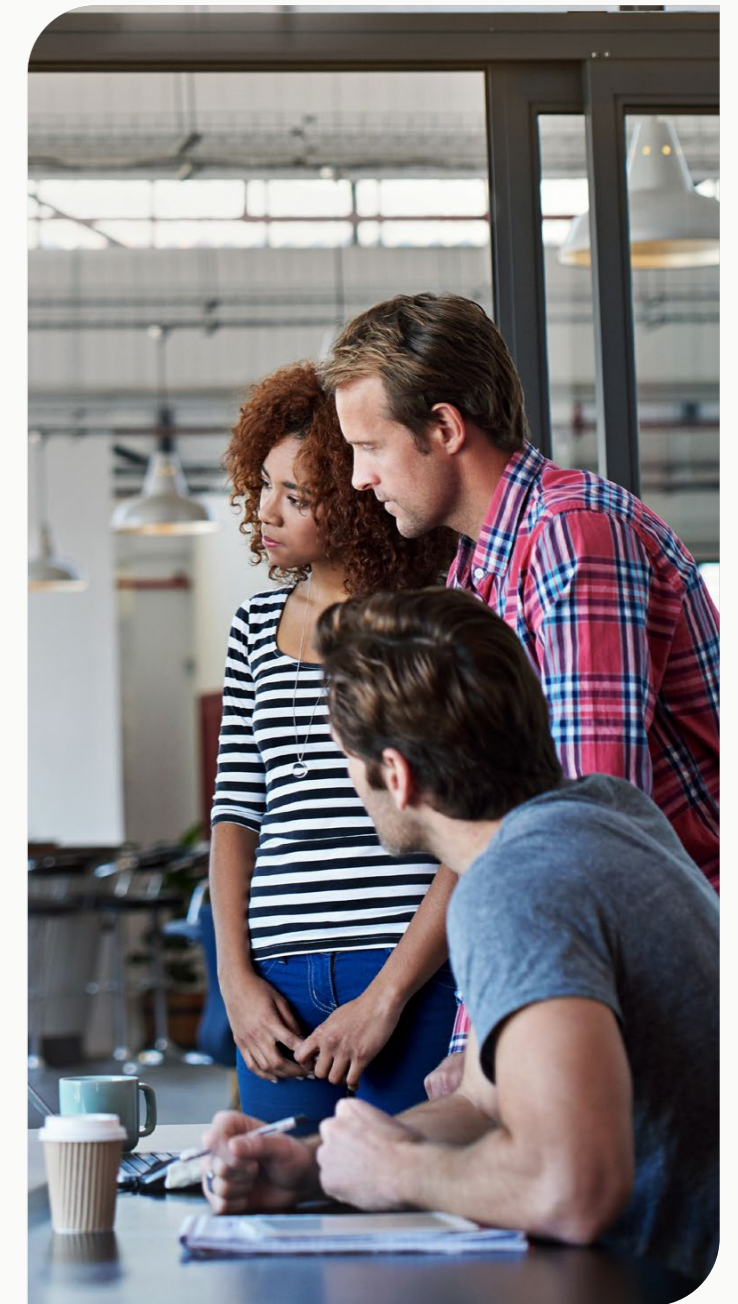
Reduce injury frequency to an incident rate of 0.5 or below



2023 update
**Legacy Xylem: 0.5
Legacy Evoqua: 0.8
Combined = 0.6**

Progress to 2025
Remained at 0.5 for legacy Xylem

Measurement: Combined



^{12, 14, 16} "Leadership positions" are defined by an internal salary band structure that reflects executive and critical leadership positions.

¹³ McKinsey Women in the Workplace 2023 report.

¹⁵ **Original Goal:** Achieve 35% representation of women in leadership positions by 2025, 50% by 2030, through merit-based retention, promotion, and recruitment.

¹⁷ Assessment of pay equity completed for eligible employees. The majority of non-eligible employees are paid either on the basis of union contracts or collective agreements.

2025 Community Sustainability Goals

Progress:

In 2023, we celebrated a record-breaking 89% Watermark participation rate among our legacy Xylem employees and made substantial strides toward our WASH access goal by providing clean water and sanitation solutions to an additional 3.8 million people living in under-resourced communities. We also reached an additional 3.3 million individuals through water education initiatives and provided humanitarian aid in response to 30 water-related disasters.

Methodology update:

The integration with legacy Evoqua presented an opportunity for the combined company to enhance employee, supplier, and business partner involvement in Watermark. Analysis of existing targets confirmed that including legacy Evoqua in all social impact targets was appropriate, without altering the targets themselves. Given that the legacy companies operated independently for almost half of calendar year 2023 and legacy Evoqua employees lacked access to Xylem's volunteer hours tracking system, the employee volunteering metrics in this report pertain solely to legacy Xylem. However, all other social impact goals encompass legacy Evoqua. We will report combined metrics starting in 2024.

Provide 15 million people with water education to improve quality of life and raise awareness of water issues



2023 update
3.3M people

Progress to 2025
10.3M/15M

Measurement: Combined

Provide access to clean water and sanitation solutions for at least 20 million people living at the base of the global economic pyramid

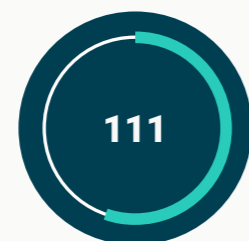


2023 update
Provided access to 3.8M people

Progress to 2025
12.7M/20M

Measurement: Combined

Deploy humanitarian aid to 200 areas affected by water-related natural disasters¹⁸



2023 update
30

Progress to 2025
111/200

Measurement: Combined

Provide paid time off for Xylem employees to volunteer 1% of their time



2023 update
Average of 9.9 hours

Progress to 2025
10 hours of volunteer time off available for all employees

Measurement: Legacy Xylem. Combined starting 2024.

Engage at least 95% of Xylem employees in volunteer activities

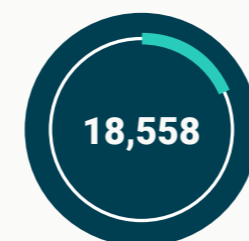


2023 update
+ 2%

Progress to 2025
89%

Measurement: Legacy Xylem. Combined starting 2024.

Engage 100,000 stakeholders in volunteer events

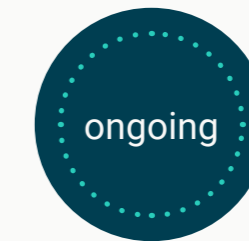


2023 update
2,413

Progress to 2025
18,558/100,000

Measurement: Combined

Give 1% of company profits¹⁹ to water-related causes and education



2023 update
Donated 0.8%, or \$4.8M, through financial and in-kind equipment donations

Progress to 2025
Surpassed 1% target in 2022 (1.1%), on track to meet 1% by 2025

Measurement: Combined

¹⁸ See a definition of water-related natural disasters in the accounting principles on p. 72-73.

¹⁹ "Company profits" is defined as GAAP Net Income.

Sustainability governance

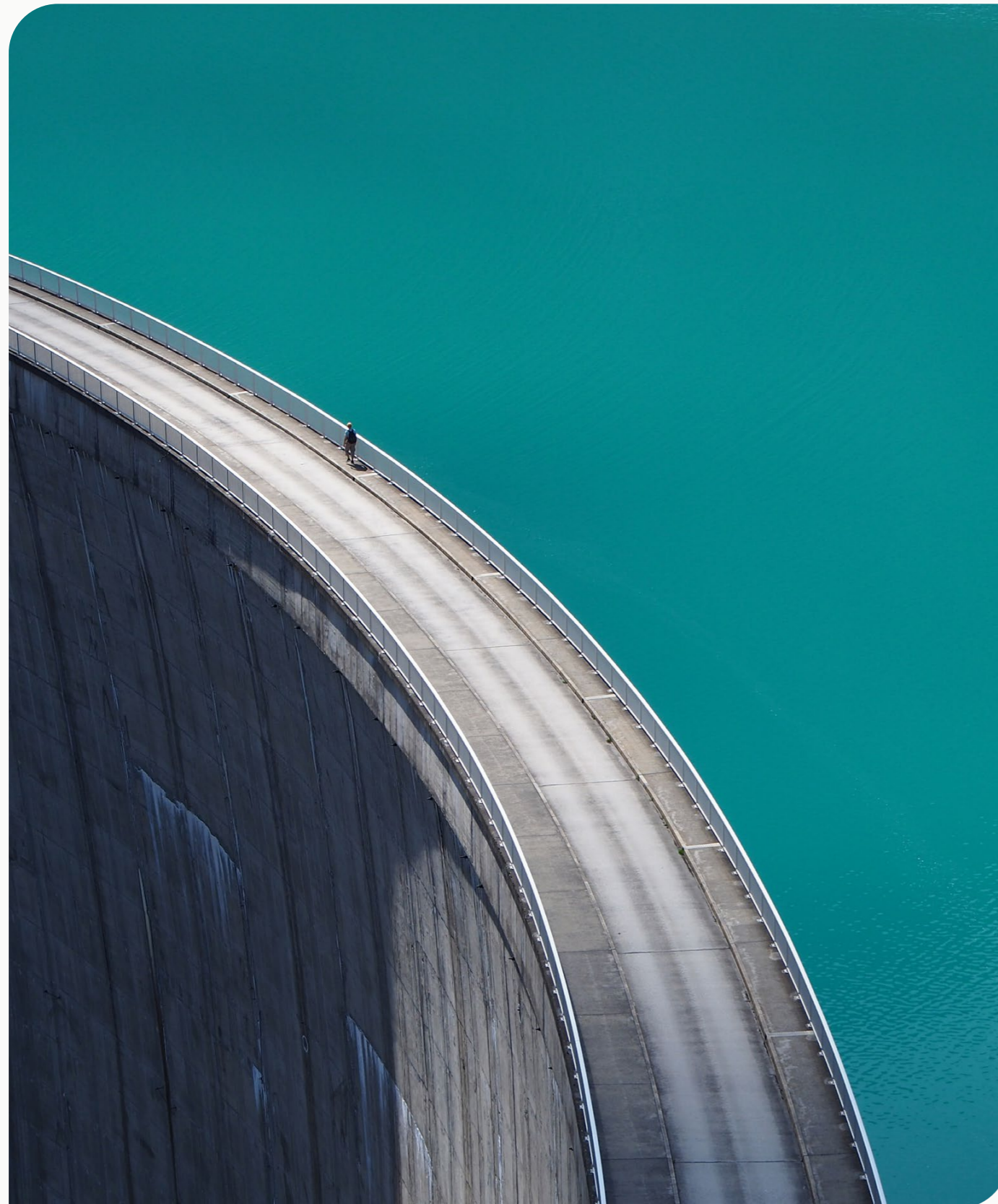
Robust governance structures are critical to our sustainability work, supporting the effectiveness and credibility of our sustainability programs, goals, and reporting. From our Board of Directors (Board) to those individuals driving the achievement of our goals, we seek to maintain a governance structure that provides strong oversight with responsiveness to operational needs.

Strong governance starts with our highest governing body, Xylem’s Board, which is led by an independent Board Chair. The Board, primarily through its Nominating and Governance Committee, oversees the company’s approach to sustainability and corporate social responsibility, while the full Board reviews sustainability as a strategic value driver. In addition, the Leadership Development and Compensation Committee oversees the company’s approach to talent management and development, including how the company advances diversity, equity, and inclusion. The Board and its committees regularly discuss with management our approach to sustainability, including risks and opportunities, implications for the company’s strategy, our progress in meeting our sustainability commitments, and our sustainability reporting.

Our Chief Executive Officer, Chief People and Sustainability Officer, and members of the senior leadership team execute our sustainability strategy and drive progress toward our strategically aligned goals. To further drive executive execution of sustainability performance, several sustainability-related goals have been included in executive compensation.

The Sustainability Goal Deployment Committee reviews progress against our 2025 Sustainability Goals and other communicated goals to strengthen the analysis and reporting of our Sustainability Goals and initiatives, and the Sustainability Reporting and Green Finance Committee reviews and advises on our green finance strategy and the ongoing refinement of our sustainability reporting strategy, which aims to provide our stakeholders with contextualized, transparent, and reliable information about our sustainability performance. Both committees meet quarterly.





Sustainability reporting process

Sustainability reporting is evolving due to increasing regulatory requirements in our key markets. To meet these growing requirements and to enhance the integrity of our disclosures and transparency, we continue to work to strengthen our reporting practices to support sustainability reporting.

Double materiality assessment exercise

Recently, we conducted a double materiality assessment exercise as part of the combination with Evoqua and in preparation for reporting under the European Corporate Sustainability Reporting Directive (CSRD) requirements. This work has helped us start to identify potentially relevant sustainability topics based on the European Sustainability Reporting Standards (ESRS). Unlike our prior materiality assessments to identify topics of interest to our stakeholders and inform our voluntary reporting, the double materiality approach under the CSRD requires consideration of both impact and financial materiality. Accordingly, we have considered how Xylem as a company impacts people and the planet and how sustainability issues impact the financial well-being of the company. We intend to provide an update on our double materiality assessment in future sustainability reports.

The disclosures in this report are primarily based on Xylem's previous materiality assessments.

Xylem's Sustainability Management System

Xylem's Sustainability Management System governs our sustainability reporting processes and provides guidance on what sustainability content and data are reported, as well as how and where such content and data are disclosed. It also defines the responsibilities of key stakeholders and other processes that enable our sustainability priorities to resonate throughout our organization. It is regularly updated based on best practices, findings from our sustainability program, and actioning recommendations from Xylem's Internal Audit team to meet the expectations of our stakeholders and the changing regulatory landscape.

In 2023, we further strengthened our internal controls to enhance the integrity of our disclosures by consulting with Xylem's Internal Audit team to develop a control framework for ESG reporting. The application of the new control framework is planned for 2024.

Guiding reporting frameworks

We report in reference to the GRI Standards in our annual sustainability reporting to disclose information on general topics such as the business, the environment, society, and human rights. We are also guided by the relevant industry-specific standards of the Sustainability Accounting Standards Board (SASB), the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and the United Nations Global Compact.

In 2023, we assessed the impact of the European CSRD and ESRS on Xylem's sustainability reporting and began our work to comply with these new regulatory requirements.

Risk management oversight

Identifying and mitigating risks improves our decision making and prioritization of time and resources. Management is responsible for day-to-day management of the company's risks, including the creation of appropriate risk management programs, policies, and practices. As part of this responsibility, Xylem's management conducts an Enterprise Risk Management program – an evergreen process that uses a widely accepted framework to identify, assess, monitor, and communicate the company's strategic, operational, financial, compliance, and reputational risks. The Enterprise Risk Management risk register includes Sustainability and Climate Risk among the risks the program assesses and monitors.

Management incorporates Enterprise Risk Management into the company's strategy, strategic planning, and business operations. As an integral and ongoing part of its work, the Board oversees management's approach to risk management and execution of its risk management responsibilities.

Further details on delegated responsibility of risk oversight by the Board are provided on p. 21 of our [2024 Proxy Statement](#). For more information on governance at Xylem, see the GRI Content Index (p. **77-79**).

Sustainable finance

Aligning positive environmental and social impacts with economic outcomes has benefitted our business and demonstrates our commitment to keeping sustainability at the center of everything that we do.

In 2023, we added a five-year revolving credit facility, which includes pricing adjustments based on Xylem's achievement of certain sustainability related targets, in addition to its credit rating. These targets drive climate mitigation action across our value chain and include:

- Reducing Scope 1 and Scope 2 GHG emissions.
- Enabling customers to reduce their GHG emissions by using our products – an extension of our existing 2025 Customer Sustainability Goal.
- Increasing the percentage of suppliers reporting environmental data to EcoVadis or equivalent ratings – an extension of our existing 2025 Supplier Sustainability Goal.

These targets relate to legacy Xylem only and will be updated by the first quarter of 2025 to include legacy Evoqua. They undergo third-party limited assurance.

New five-year
\$1 billion
revolving credit facility

The 2023 credit facility builds on a long history of aligning our sustainability and financial strategies. Other examples include:

- Partnering with a women-led impact platform to invest a portion of our cash on hand in mission-driven banks and credit unions that facilitate investments in underserved communities.
- Opening an ESG-linked demand deposit account that ties yields on deposits to the achievement of our 2025 Sustainability Goals.
- Completing a \$1 billion green bond offering, with proceeds allocated to projects to improve water accessibility, affordability, and resiliency.
- Migrating supply chain finance agreements to sustainable frameworks that offer benefits for participating suppliers that initiate and improve their EcoVadis (or equivalent) scores.

We expect to continue to apply a sustainability-based financing strategy that supports our mission to achieve meaningful environmental and social outcomes.

Our \$1B revolving credit facility received the Environmental Finance's 2024 Sustainable Debt Award in the category "Sustainability-linked loan of the year – Corporate (Americas)".



Innovation

For us, innovation and sustainability go hand in hand. Innovation is required to deliver solutions for advancing water security across markets we serve. But beyond our technology solutions, innovation is embedded in the way we work, the way we partner, the way we apply technology, and the way we develop talent for the sector.

Inspiring youth worldwide to solve global water challenges plays an important role in our approach to innovation. Find out more about our youth programs on p. 61.

Research and development

Research and development is a key foundation of our growth strategy, promoting a steady flow of innovative, high-quality, and reliable products and integrated solutions to further strengthen our position in the markets we serve. We focus on the design and development of products, services, solutions, and application know-how that address anticipated customer needs and emerging trends. Our engineers are involved in developing new products, services, and solutions as well as improving existing assets to increase customer value.

Research and development activities are initially conducted in our technology centers, located adjacent to our major manufacturing facilities to enable an efficient and robust development process. We have several global technical centers and local development teams around the world where we support global needs and accelerate the customization of our products, services, and solutions to address local needs.

In 2023, our Product Sustainability team collaborated with our global Product Management teams to perform a Voice of Customer (VOC) assessment regarding their sustainability priorities. In addition to informing technology investments, this and other VOC assessments support the development of Xylem's sustainability commitments especially as related to water, an impact area that Xylem's customers prioritized as high or higher than carbon impacts.

Xylem Innovation Labs

To expand our bandwidth and increase our access to technology, our corporate innovation partnership program and venture capital investing group, Xylem Innovation Labs, cultivates the water innovation ecosystem by fostering and developing cutting-edge technologies that address global water challenges. It supports our customers by understanding their needs and partnering with the most promising startup founders and universities through a formalized partnership program.

The Xylem Innovation Labs partnerships program is designed to bring the most innovative solutions to market, with three key pillars in mind:



Developing innovative programs and unlocking new technologies

Xylem Innovation Labs hosts an annual Accelerator Program to prepare entrepreneurs to sustainably advance and grow their businesses. It supports startups that tackle key sustainability challenges including:

- Building platforms that help customers map N₂O emission risks and deploying sensors to measure nitrates/nitrites.
- Using nanobubbles and algae for advanced wastewater treatment (while reducing the carbon footprint of a plant's operations).
- Using small water turbines to generate carbon-free electricity.
- Utilizing digital tools to improve response time of utilities for service requests and emergencies.



Deploying advanced financing mechanisms to catalyze the adoption of innovative water technologies

Commercializing and scaling early-stage innovations is consistently cited as the biggest pain point water startups experience in developing their businesses, resulting in many promising and potentially impactful technologies not advancing beyond the pilot stage. To address this funding challenge, Xylem Innovation Labs has sponsored the Isle Utilities Trial Reservoir, a pooled private revolving loan fund to finance the piloting of technologies that mitigate climate change.



Partnering with leading venture capital and accelerator partners

Xylem is a limited partner in The Westly Group and Burnt Island Ventures, working closely with these funds to scout, and deploy capital in, early-stage water-focused companies.

Xylem Innovation Labs also partners with Imagine H2O, a global nonprofit organization that promotes water innovation. Imagine H2O's innovation ecosystem, startup accelerator programs, and pilot funding offerings help entrepreneurs scale solutions faster.

Spotlight

“Sustainability is not just part of our product roadmap or a goal we have committed to, but a fundamental aspect of how Xylem approaches innovation.”



An interview with Snehal Desai, Chief Growth and Innovation Officer, on the intersection between innovation and sustainability

Q: How would you describe how sustainability and innovation intersect at Xylem?

Snehal: At Xylem, sustainability and innovation are deeply intertwined. We cannot solve the world's greatest water challenges without innovation. This includes

innovative, modern technology, but also innovating the ways we work and the ways Xylem can deliver solutions to our customers and communities.

Sustainability is not just part of our product roadmap or a goal we have committed to, but a fundamental aspect of how Xylem approaches innovation. When we design new products or services, we aim for products and processes that maximize our customer's abilities to solve their sustainability challenges, while also minimizing any negative impact across the lifecycle of our solutions. For example, Xylem has developed water treatment technologies that reduce the need for harmful chemicals, helping to conserve resources and protect the environment for generations to come.

Q: How does Xylem incorporate sustainability into innovation strategies for goal achievement?

Snehal: We know that innovation, whether related to our products, operations, or our customers' and suppliers' practices, is vital to meeting our goals. We embed Sustainability into our product development process and tools, what we call "Design for Sustainability." Additionally, our Xylem Innovation Labs push us to find the most innovative technologies and solutions, often with positive environmental and social benefits for our customers.

Q: What are the current innovation trends at Xylem?

Snehal: We are seeing an increasing need and demand for highly efficient water technologies from our customers. Of course, digitization is top of mind. Driving improvements across an operational water cycle, such as wastewater networks, treatment plants, etc. can be complex and costly. To help solve for this, Xylem's digital suite, Vue, helps utilities mitigate water loss and improve performance by integrating and managing all data from any source in a single platform for a complete view of the entirety of the water and wastewater network. Digital solutions help to deliver greater visibility, performance, compliance, and remarkable cost savings.

Water solutions that focus on energy reduction is another emerging need we have seen among our customers. To advance their sustainability reduction commitments, our customers are looking for improved efficiency throughout the entirety of their operational water cycle. Xylem's hydrovar® X variable speed pump drive solution enhances the intelligence of both new and existing pumps. This solution is easy to install and enhances water efficiency, leading to reduced energy consumption and costs, all while optimizing performance and addressing the carbon footprint associated with water usage.



Commitments, recognitions, and ratings

As a signatory to each of these compacts, pledges, and mandates, we are committed to continuous progress in alignment with their core elements. This helps us to better understand and manage our own environmental, social and corporate governance opportunities and risks.

WE SUPPORT



United Nations Global Compact

The [United Nations Global Compact](#) (UN Global Compact) is a corporate sustainability initiative developed by the United Nations for businesses to align their operations and strategies with the United Nation’s universal key sustainability principles in the areas of human rights, labor, environment, and anti-corruption. We first committed to the UN Global Compact in 2002, and annually report and publish our progress on implementing its [Ten Principles](#).



CEO Water Mandate

The [CEO Water Mandate](#) was established in 2007 by the UN Secretary General and the UN Global Compact in partnership with the Pacific Institute to advance corporate water stewardship around the world. In 2017, we endorsed the CEO Water Mandate and committed to adopting and implementing a comprehensive approach to water management that incorporates the initiative’s [six commitment areas](#).



Race to Zero

The [Race to Zero](#) is a global campaign, under the banner of the United Nations Framework Convention on Climate Change (UNFCCC), rallying support from businesses, cities, and regions to take rigorous and immediate action to halve global emissions by 2030 and promote sustainable growth. In 2021, we joined a consortium of partners including the UNFCCC High Level Climate Action Champions, CDP, Water UK, the US Water Alliance, the International Water Association, GIZ and others to help water utilities commit to reducing GHG emissions.

Additionally, we work with partners to drive the Race to Zero commitments of water and wastewater utilities to support decarbonizing the water sector.

Women’s Empowerment Principles

The [Women’s Empowerment Principles](#) (WEPs) provide guidance to companies on how to promote gender equality and women’s empowerment in the workplace, marketplace and community. The WEPs were established by UN Women and UN Global Compact and are based on international labor and human rights standards and the recognition that companies have an interest in and a responsibility for gender equality and women’s empowerment. Xylem has been a signatory since early 2019.

Human Rights Campaign Foundation's Global Business Coalitions

The [Human Rights Campaign Foundation's Global Business Coalition](#) is a consortium of major global businesses committed to upholding workplace protections for lesbian, gay, bisexual, and transgender employees – along with the rest of their workforce – everywhere they do business. [Xylem became a coalition member in 2018.](#)

Additional commitments include:

- [American Business Act on Climate Pledge](#)
- [“We Are Still In” Declaration](#)
- [Business Roundtable Pledge](#)
- [Time to Vote](#)
- [United Nations \(UN75\) Uniting Business Statement](#)
- [World Business Council for Sustainable Development WASH at the Workplace](#)
- [UN Standards for Business Tackling Discrimination Against LGBTQ+ People](#)
- [Human Rights Campaign Foundation's Business Coalition for the Equality Act](#)
- [Charta der Vielfalt \(Germany\)](#)

Sustainability ratings



MSCI: AAA
(as of June 2023)



ISS ESG Corporate Rating: Prime – Decile rank 2
(as of June 2023)



ISS ESG Quality Score:
• **Environment 1**
• **Social 1**
• **Governance 3**
(as of May 2024)



CDP Climate Change: B
(as of February 2024)

CDP Water: C
(as of February 2024)

CDP Supplier Engagement: B-
(as of May 2024)



EcoVadis: Silver – 91st percentile
(as of February 2024)

Recognitions



2024 Net Zero Carbon Champion



2024 America's Most Just Companies (ranked #6 out of 60 in Industrial Goods industry; #153 out of 937 overall)²⁰

2024 Top Performer and Top in Industry in the Hiring & Stability category in JUST Jobs Scorecard



2024 Best Place to Work for LGBTQ Equality in the U.S. (4th consecutive year against new criteria)



2024 Sustainable Debt Awards for Sustainability-linked loan of the year – corporate (Americas)



2024 SDG2000 Most Influential Companies



2023 DE&I Award (Large Cap) Finalist

NEWSWEEK

2024 America's Most Responsible Companies (ranked #2 out of 600 companies)

2024 America's Greatest Workplaces for Diversity

BARRON'S

2024 100 Most Sustainable Companies (ranked #15)

²⁰ Due to an error in JUST Capital's data system, which resulted in some of our responses receiving a lower score than they should have, our ranking does not accurately reflect our performance. JUST Capital is aware and confirmed that the impact was minimal (appx. 3-6 overall ranks), and did not impact the composition of leadership designations like the JUST 100, Industry leaders, or the JUST U.S. Large Cap Diversified Index (JULCD). The ranking will be corrected by JUST Capital in future product releases.

Impact on the environment

| | |
|---|----|
| Operational sustainability _____ | 27 |
| Water management _____ | 29 |
| Energy efficiency and emissions reduction _____ | 30 |
| Waste management _____ | 33 |
| Biodiversity _____ | 34 |
| Product sustainability _____ | 36 |



Operational sustainability

We integrate sustainability into everything we do to effectively reduce our environmental impact, preserve resources, and enhance the welfare of the communities we serve.

Our approach to sustainability goes beyond mere compliance; it aims to generate enduring value and resilience. We employ rigorous tracking and reporting mechanisms to monitor our progress, underscoring our dedication to transparency and accountability. Our digital Environment, Health, and Safety metric database allows us to track environmental projects at our sites and manage environmental data effectively and reliably.

We hold ourselves to high standards:

- The combined company currently has 88 facilities that are certified to ISO 14001: Environmental Management; 151 facilities certified to ISO 9001: Quality Management and five facilities certified to ISO 50001: Energy Management.
- Of our 22 major legacy Xylem manufacturing facilities, 45% are certified to ISO 14001, and 86% to ISO 9001.
- 21% of Xylem's 420 facilities are certified to ISO 14001 and 36% to ISO 9001.

Progress on our 2025 Company Sustainability Goals (Operations)

With a global operational footprint spanning 21 countries and comprising 54 manufacturing facilities, our commitment to sustainability extends across diverse regions. In 2019, we identified 22²¹ major facilities²², with significant energy, waste, and water impacts. However, while those major facilities provide the greatest opportunity for positive change, our sustainability practices influence all 420 Xylem facilities.

The 2025 Sustainability Goals for our operations serve as vital benchmarks across our key operational categories: water management, waste management, energy efficiency and emissions reduction.

Validation process of goal achievement

After a facility indicates that it has achieved a goal, internal teams review data aligned with specific support criteria tailored to each Goal type, such as quantity of water used in production, water recycling rates, or waste recycling and reuse types. In 2022, we assessed the on-site goal validation process for renewable energy in San Diego (California) USA, zero waste to landfill in Texarkana (Arkansas), USA, and process water recycling in Chihuahua, Mexico, to determine the effectiveness of our internal validation process. An external auditor confirmed that it met audit standards by reviewing evidence collected by the local sites.

In 2023, a third-party also independently collected, analyzed, and compared relevant data to validate our process water recycling Goal, tied to our revolving credit facility. This process ensures an objective assessment and validation of our operational water sustainability achievements.

Progress towards our 2025 Goals in 2023

Use 100% renewable energy at our major facilities

2023 update:
Added 2 new facilities



Use 100% process water recycling at our major facilities

2023 update:
Added 5 new facilities



Achieve zero waste to landfill at our major facilities

2023 update:
Added 5 new facilities



Xylem's "Triple Crown" facilities

By the end of 2023, seven major facilities attained what we call internally "Triple Crown" status by achieving all three 2025 Goals:

These are in addition to the major facilities that attained Triple Crown status in 2022:



Calamba in the Philippines



Dubai in the United Arab Emirates



Chihuahua in Mexico



Nanjing in China



Emmaboda in Sweden



Montecchio in Italy



Herford in Germany



Texarkana (Arkansas) in the United States



Lubbock (Texas)
Morton Grove (Illinois)
Pewaukee (Wisconsin)
in the United States

11 major facilities

in total have achieved Triple Crown status

²¹ Slaton, Texas (USA), a previously identified major facility, closed in 2023. Since this facility was open for part of 2023, its impact to the Goals has been tracked for this reporting year. However, in reporting year 2024, our major facilities will be reduced to 21.

²² Major facilities are defined as those 22 facilities with manufacturing activities that are the top contributors to Xylem's water, waste or GHG metrics, or are in areas with extremely high water-stress risk. See more information in the accounting principles on p. 72-73.

Spotlight

How three of our European major facilities achieved triple crown status

In Europe, five of our sites are major facilities: **Emmaboda** in Sweden, **Herford** in Germany, **Montecchio** in Italy, **Quenington** in the United Kingdom, and **Stara Tura** in Slovakia. While Montecchio achieved triple crown status in 2022, Emmaboda and Herford followed suit in 2023. Let's delve into how they accomplished this...



Use 100% renewable energy

Montecchio, **Emmaboda**, and **Herford** seamlessly transitioned to renewable energy sources by making strategic switches in their energy providers.



Use 100% process water recycling

In 2021, **Montecchio** implemented an on-site wastewater treatment plant to recycle process water. This initiative, alongside other efforts, has led to a reduction in water consumption by 15,000 cubic meters since 2019, constituting a 37% decrease in overall water usage for the site.

In 2023, **Emmaboda** commissioned an on-site water treatment plant dedicated to gathering and recycling process water from testing and cooling operations. This plant, fully operational since February 2023, now recycles 100% of the site's process water. As a result, Emmaboda has achieved a 46% reduction in overall water usage compared to pre-project levels.

Recognizing the water-intensive nature of its pressure testing process, **Herford** took proactive steps to address the issue. With changes in local regulations permitting the use of recycled water for pressure testing under certain conditions, the site installed two closed-loop systems for this purpose. As a result, Herford now recycles 100% of its processed water.



Achieve zero waste to landfill from processes

Montecchio sought to discontinue the disposal of hazardous waste from wastewater treatment processes into landfills. Accordingly, the site conducted a comprehensive review of all chemicals utilized in its treatment procedures and worked to replace them with alternatives that generate no landfill waste. Furthermore, the site engaged with waste suppliers to prevent any waste from reaching landfills throughout the waste supply chain.

Emmaboda initiated a process to segregate slag for reuse, resulting in a 50% decrease in total landfill waste. Additionally, the site now separates steel grit from other materials, allowing it to be reused by other foundries, thereby contributing to an additional 20% reduction in landfill waste.

Herford was well-positioned to achieve this objective from the outset due to 2005 German legislation already banning waste to landfill.



While the European team is proud of its great strides in achieving the 2025 Sustainability Goals ahead of schedule for most major facilities, they are not content to stop there.

We have developed a manual to help all sites to reduce their environmental footprint. The manual outlines various actions, including installing water meters, analyzing water consumption against working hours, maintaining water systems, and implementing water-saving fixtures like sensor taps and low-flow toilets.

Site-specific measures, such as splash guards to reduce water consumption and enhance safety or adjusting industrial washer temperatures to minimize evaporation and conserve water, were also included.

Water management

As a company committed to addressing global water challenges with our products and solutions, we recognize the impact our own water consumption has on local watersheds.

As we aim to lead by example, we remain dedicated to minimizing our water footprint through reduction and reuse by leveraging our own technology where possible, particularly in regions facing water scarcity. Our operational water-reduction efforts, like our new 2030 water goal, reflect our dedication to optimize and digitize water and implement reuse systems.

With the Evoqua acquisition, our service portfolio expanded, increasing our combined water footprint. Legacy Evoqua's resin regeneration and ion exchange service, while mitigating landfill disposal and virgin resin procurement, is water-intensive. However, over 90% of the water used in the resin regeneration facilities is currently being reused. We are actively devising water management plans at these sites, focusing on water withdrawal reduction.



2023 progress

In 2023, legacy Xylem reduced its water withdrawal by 9%, contributing to an overall decrease of 33% since 2019, with a water intensity of 0.048. Legacy Evoqua facilities experienced a 5% increase in overall water withdrawal in 2023. Together, the combined company's water withdrawal totaled 2,556 megaliters.

Legacy Xylem continued its commitment to water conservation by recycling and reusing 227 megaliters, representing a 6% decrease from 2022, and treating and releasing 33 megaliters. Legacy Evoqua's water reuse increased at its top nine facilities by approximately 33% compared to 2022, equivalent to 455 megaliters. This increase is due to the growth of legacy Evoqua's resin regeneration business and meter improvement initiatives.

Overall, the combined company recycled and reused 82% of its total water withdrawn in 2023, the equivalent of 2,101 megaliters.

In 2023, five²³ out of the 22 major facilities achieved the significant milestone of recycling and reusing 100% of their process water, bringing the total to 17 facilities overall.

2023 highlights:

- After installing a new central cooling and chiller system, our facility in Uniontown, (Pennsylvania) USA, reduced its total water withdrawal in 2023 by more than one million gallons or approximately 5 megaliters.
- Our facility in Emmaboda, Sweden, significantly reduced its water consumption by over 5 million gallons, primarily attributable to the operation of the process water treatment and reuse systems installed over the past three years.
- In 2023, the installation of an in-house closed-loop treatment system at our facility in Nanjing, China, led to a reduction in water usage of over 450,000 gallons, equivalent to approximately 1.7 megaliters.

Water consumption in 2023 (in ML)

| | Combined | Legacy Xylem | Legacy Evoqua ²⁴ |
|---|---------------------------|--------------|-----------------------------|
| Total water withdrawal | 2,556 | 297.1 | 2,259 |
| Total water recycled and reused | 2,101 | 227 | 1,874 |
| Water recycled and reused (%) | 82% | 76% | 83% |
| Total water treated and released | 32.6 | 32.6 | - |
| Total revenues (millions USD) | 8,146²⁵ | 6,187 | - |
| Total water intensity (ML / annual revenues in millions USD) | - | 0.048 | - |

82%

of total water withdrawn was recycled and reused

5 major facilities

achieved our 2025 Goal of recycling and reusing 100% of process water in 2023

²³ Morton Grove, Uniontown, and Pewaukee in the United States, Emmaboda in Sweden, and Herford in Germany.

²⁴ Representing 45 sites (44 sites and the US/Canadian vehicle fleet) of legacy Evoqua that accounted for over 90% of its total environmental footprint metrics.

²⁵ 2023 pro forma revenue of the combined company.

Energy efficiency and emissions reduction

We strive to be a leader in the journey to decarbonize the water sector – setting an example by increasing energy efficiency and emissions reduction efforts across our value chain. To support our commitments, we submitted our 2030 science-based targets to the Science Based Targets initiative (SBTi) for validation in late 2022.

With the acquisition of Evoqua, we are now updating our combined baseline to resubmit our targets to SBTi within the next year. Upon finalization, we will communicate these targets to our stakeholders through our website and an updated Climate Action Plan. Regardless of status of the submission, we have and will continue to reduce our emissions.

Reducing our operational GHG footprint

Our operational emissions footprint includes Scope 1 and 2 emissions. In 2023, legacy Xylem reduced its Scope 1 and 2 emissions by approximately 17% compared to the 2022 calendar year. Legacy Xylem’s energy intensity in 2023 was 54.3. Legacy Evoqua reduced its Scope 1 and 2 emissions by approximately 9% compared to its 2022 fiscal year.

This year, we consolidated the Scope 3 emissions of both legacy companies for the 2023 calendar year. This exercise helped us to better understand our combined indirect emissions and to identify priority categories. We intend to leverage these results when we submit our combined 2030 science-based targets in the upcoming year.

Due to the nature of our Scope 3 emissions, which predominantly occur in Category 11, Use of Products Sold. Our Scope 3 reduction targets are heavily dependent on the global transition to renewable energy production. Since our products are utilized globally and frequently rely on electricity at our customer’s facilities, we utilize regional electric emissions factors when calculating our Scope 3, Category 11. If the global energy transition to more renewable energy production does not progress significantly through 2030 and beyond, we face the risk of falling short of our Scope 3 reduction target.

In 2023, we invested roughly \$4 million in projects aimed at reducing GHG footprint in our operations. Projects included replacing equipment and solutions with more efficient models, improving water processing equipment, and waste reduction.

Greening our energy profile

Our energy profile across manufacturing, office, and service facilities continues to evolve, with an increased adoption of renewable energy, particularly at commercial facilities in the United States, alongside global investments in energy efficiency measures. Through strategic renewable energy purchases, we have effectively greened our energy profile in a cost-effective manner, particularly at facilities lacking access to renewable energy sources. In 2023, 78% of the combined companies’ electricity came from renewable sources.

In 2023, two²⁶ of the 22 major facilities achieved the significant milestone of using 100% renewable energy, bringing the total to 19 facilities overall.



2023 highlights:

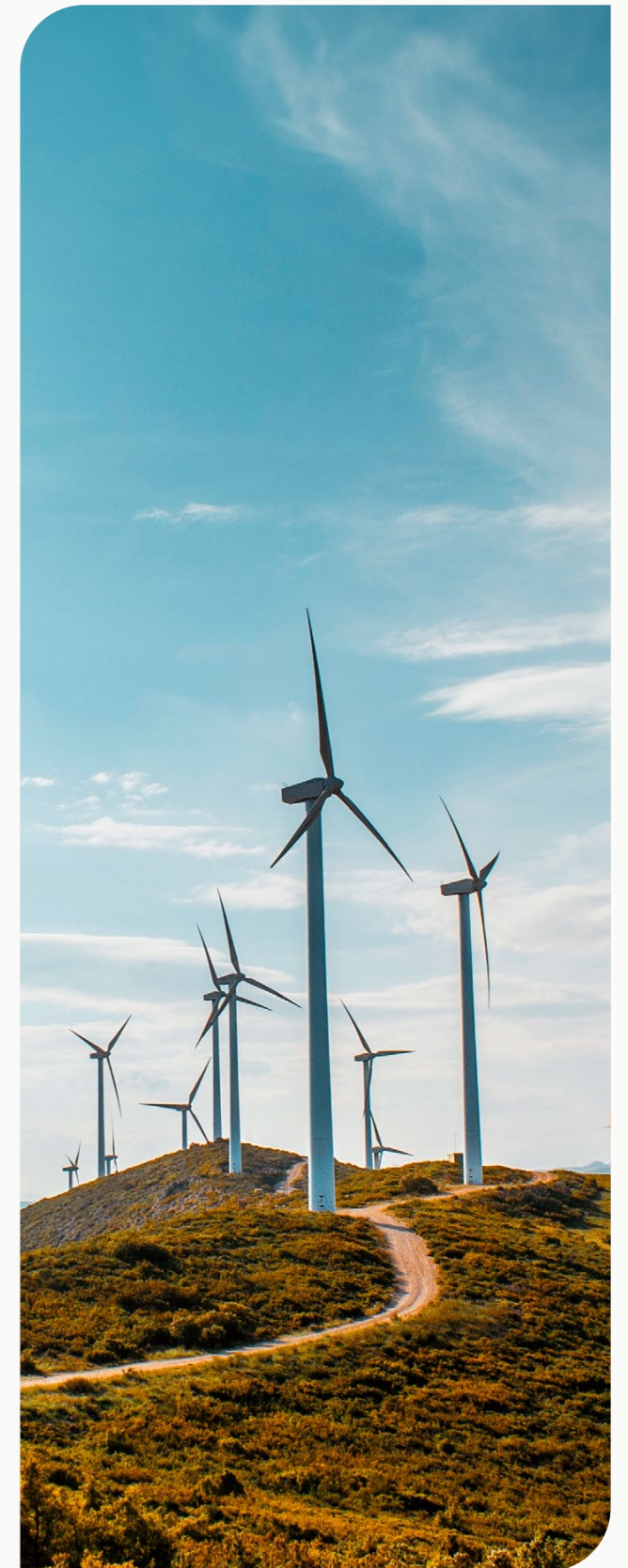
- Our legacy Evoqua facility in Singapore installed solar panels and redistributed surplus electricity back to the grid, leading to a substantial reduction in electricity consumption. Since 2023, the facility has exported approximately 70% of its typical monthly usage, resulting in an overall reduction of 50%.
- Our legacy Xylem’s facility in Sydney, Australia, followed suit in 2023 by installing solar panels. Additionally, the facility transitioned 70% of its forklifts to electric options and replaced 65% of its sales fleet with electric plug-in hybrid vehicles.
- Our Emmaboda site in Sweden used 12,600 gallons of biodiesel, replacing standard diesel, which led to a notable 96% decrease in CO₂e emissions originating from diesel fuel at the facility.

78%

of electricity came from renewable sources.

2 major facilities

achieved our 2025 Goal of using 100% renewable energy



²⁶ Chihuahua in Mexico, and Calamba in the Philippines.

Energy consumption in 2023

| | Combined | Legacy Xylem | Legacy Evoqua ²⁷ |
|---|----------------------------|----------------|-----------------------------|
| Direct energy by type (in MWh) | | | |
| Renewable electricity generated | 1,526 | 1,526 | - |
| Natural gas | 152,898 | 84,714 | 68,184 |
| Stationary source gaseous propane | 161 | 161 | - |
| Stationary source liquid propane | 4,729 | 4,729 | - |
| Stationary source fuel oil | 6,789 | 6,049 | 740 |
| Total stationary energy usage | 166,103 | 97,179 | 68,924 |
| Mobile source gasoline | 65,885 | 11,359 | 54,526 |
| Mobile source diesel | 110,027 | 59,872 | 50,155 |
| Mobile source liquid propane | 1,075 | 6.57 | 1,068 |
| Total mobile energy usage | 176,987 | 71,237 | 105,750 |
| Total direct energy usage ²⁸ | 343,090 | 168,416 | 174,674 |
| Indirect energy by type (in MWh) | | | |
| Purchased electricity | 187,351 | 156,954 | 30,397 |
| Purchased heat | 10,565 | 10,565 | - |
| Total indirect energy usage | 197,916 | 167,519 | 30,397 |
| Total energy consumption | 541,007 | 335,936 | 205,071 |
| Total revenues (millions USD) | 8,146 ²⁹ | 6,187 | - |
| Total energy intensity (MWh / annual revenues in millions USD) | - | 54.3 | - |

GHG emissions in 2023

| Scope 1 (direct) (in tCO₂e) | | | |
|---|---------------|---------------|---------------|
| Natural gas used | 28,142 | 15,356 | 12,786 |
| Stationary sources gaseous propane | 34.2 | 34.2 | - |
| Stationary sources liquid propane | 990 | 990 | - |
| Stationary source fuel oil | 1,710 | 1,524 | 186 |
| Cyrogenic CO ₂ | 1.2 | 1.2 | - |
| Refrigerant use | 188 | 188 | - |
| Total stationary GHG emissions | 31,065 | 18,093 | 12,972 |

| Scope 1 (direct) in tCO₂e continued | | | |
|---|---------------|---------------|---------------|
| GHG emissions in 2023 continued | | | |
| Mobile source gasoline | 16,057 | 2,985 | 13,072 |
| Mobile source diesel | 28,709 | 15,979 | 12,730 |
| Mobile source liquid propane | 389 | 168 | 221 |
| Total mobile GHG emissions | 45,156 | 19,132 | 26,024 |
| Total Scope 1 emissions | 76,221 | 37,225 | 38,996 |

| Scope 2 (indirect) (in tCO₂e) | | | |
|---|---------------|---------------|---------------|
| Purchased electricity | 51,126 | 38,939 | 12,187 |
| Purchased heat | 1,579 | 1,579 | - |
| Total Scope 2 emissions – location based | 52,704 | 40,517 | 12,187 |
| Total Scope 2 emissions – market based | 18,272 | 5,585 | 12,687 |

| Scope 3 (indirect) (in tCO₂e) | | | |
|---|-------------------|---|---|
| Category 1 – Purchased goods | 869,020 | - | - |
| Category 2 – Capital goods | 13,924 | - | - |
| Category 3 – Fuel and energy-related activities | 40,998 | - | - |
| Category 4 – Upstream transport | 217,852 | - | - |
| Category 5 – Waste generated | 14,546 | - | - |
| Category 6 – Business travel | 31,518 | - | - |
| Category 7 – Employee commuting | 45,064 | - | - |
| Category 11 – Use of sold products | 61,288,587 | - | - |
| Category 13 – Downstream leased assets | 629,286 | - | - |
| Total Scope 3 emissions | 63,150,795 | - | - |

| Total GHG emissions (Scope 1 & 2) intensity (in tCO₂e / annual revenues in millions USD) | | | |
|--|----------------------------|---------------|---------------|
| Total GHG emissions (Scope 1 & 2) | 128,924 | 77,742 | 51,182 |
| Total revenues (millions USD) | 8,146 ³⁰ | 6,187 | - |
| Total GHG emissions (Scope 1 & 2) intensity | - | 12.6 | - |
| Emissions avoided via purchased renewable energy credits | 34,448 | 34,448 | - |
| Renewable electricity generated | 800 | 800 | - |
| Renewable purchased heat | 813 | 813 | - |
| Net GHG emissions (Scope 1 & 2) incl. renewable energy | 93,676 | 42,494 | 51,182 |
| Total net GHG emissions (Scope 1 & 2) intensity | - | 6.87 | - |

²⁷ Representing 45 sites (44 sites and the US/Canadian vehicle fleet) of legacy Evoqua that accounted for over 90% of its total environmental footprint metrics.

²⁸ Total direct energy usage = stationary + mobile

^{29, 30} 2023 pro forma revenue of the combined company.



Fleet sustainability

In 2023, our commitment to reducing the emissions associated with our fleet remained a priority and key lever to reducing Scope 1 emissions. In 2021, we committed to transition 100% of our passenger vehicles and 80% of our global fleet, which includes service vans and trucks, to electric or hybrid plug-in solutions by 2025. We remain committed to this plan, although timeline adjustments have been necessary due to the expansion of our fleet following the Evoqua acquisition and the growth of our existing Xylem business.

In Europe, our teams led the way by electrifying over 800 vehicles by the end of 2023, comprising nearly 70% of our European passenger fleet and 45% including commercial vehicles. Despite persistent challenges in electrifying a growing commercial fleet, our commitment to reducing our fleet-related emissions remains steady: for the past two years, 100% of all ordered passenger vehicles in Europe were electric vehicles and we continue to pilot plug-in hybrid electric vehicles and battery-fueled light commercial vehicles.

However, the growing number of heavy-duty commercial vehicles needed to provide services to our customers has presented challenges in transitioning to hybrid and electric options, particularly in North America. With the acquisition of Evoqua and establishment of our Water Solutions and Services segment, our fleet in North America has more than doubled in size, introducing new types of commercial vehicles and equipment to our fleet. More than 270 vehicles in the United States and Canada are electrified, and while there is much more to do, we remain on track to meet our electrification plans so long as infrastructure and electrified alternatives for medium and heavy-duty vehicles continue to improve.

Safety remains our top priority, alongside timely deliveries of our products and services. As we continue our electrification efforts, we are exploring complementary innovative and data-driven solutions to reduce our fleet emissions. We are developing a comprehensive 2030 roadmap, tailored to our markets with fleet concentration and emerging markets regions like Africa and Latin America.

Managing other air emissions

In addition to targeting Scope 1, 2, and 3 GHG emissions, we remain committed to minimizing all air emissions where possible, especially volatile organic compounds (VOCs). As part of our efforts to reduce VOCs and other contaminants, we continue to enhance our data monitoring and analysis practices. These processes, which recently identified additional VOC emissions, which increased our emissions for 2023 and 2022. We will continue to pursue our VOC emission-reduction goal of 2% by 2024 for legacy Xylem.

2023 highlight:

- Our facility in Shenyang, China, upgraded its exhaust gas disposal system in its painting room to a Regenerative Catalytic Oxidation (RCO) system. This enables the complete decomposition of VOCs, resulting in a reduction of over 90% of VOCs compared to traditional systems. Moreover, the RCO system is digitized for consistent and efficient operation through real-time, minute-by-minute monitoring.

Air emissions in 2023 (in t)

| | Combined | Legacy Xylem | Legacy Evoqua ³¹ |
|--|----------|--------------|-----------------------------|
| Volatile organic compound (VOC) emissions | 91.1 | 91.1 | - |
| Other GHG emissions (in t) | | | |
| CO ₂ | 58,842 | 58,842 | - |
| CH ₄ | 17.1 | 17.1 | - |
| N ₂ O | 79.3 | 79.3 | - |

³¹ Representing 45 sites (44 sites and the US/Canadian vehicle fleet) of legacy Evoqua that accounted for over 90% of its total environmental footprint metrics.

Waste management

Our waste management approach is guided by the waste management hierarchy, which prioritizes prevention, reduction, reuse, recycling, energy recovery, and, finally, treatment and disposal. This commitment is embedded across all our facilities, encompassing the 22 major facilities included in our 2025 Sustainability Goal aimed at achieving zero waste to landfill.

In 2023, five³² of our major facilities successfully reached our target of zero waste to landfill, representing an increase from 12 facilities in 2022 to 17 in 2023. To meet the goal, a facility must adhere to industry-wide standards, ensuring a minimum of 90% waste diversion from landfills, with no more than 10% used for energy recovery.

Diverting waste from landfill

Our concerted efforts to increase waste diversion from landfills at our larger facilities are yielding substantial results. Through a multifaceted approach encompassing on-site initiatives and collaborative efforts with suppliers, we are actively reducing packaging, enhancing waste segregation practices, optimizing recycling processes, and exploring innovative reuse methods. In 2023, legacy Xylem recycled 31,094 metric tons of waste. Legacy Evoqua recycled 2,214 metric tons of waste during the same period. The combined company recycled 33,308 metric tons of waste, representing approximately 59% of the waste generated.

Over 85% of our packaging material is comprised of reusable, recyclable, or compostable content, exceeding our 2025 Sustainability Goal of 75%.

2023 highlights:

- Our facility in Shenyang, China, implemented low-temperature evaporator equipment for waste emulsion, which will reduce hazardous waste liquid by about 45 tons annually. Nearly 90% of this liquid will be distilled into water for recycling.
- Our facility in Lubbock, (Texas) United States, introduced a wood waste recycling program in 2023, involving the consolidation of wood pallets, minimizing the number of transport trips required for disposal.

Management of hazardous waste

We prioritize the responsible management of hazardous waste, continuously striving to reduce its generation wherever feasible. Through rigorous waste management practices, adhering to strict regulatory requirements, and implementing best practices, we aim to minimize the impact of hazardous materials on the environment, demonstrating our dedication to environmental stewardship in all aspects of our operations.

Waste management in 2023 (in t)

| | Combined | Legacy Xylem | Legacy Evoqua ³³ |
|-------------------------------------|---------------|---------------|-----------------------------|
| Non-hazardous waste recycled | 32,067 | 30,680 | 1,387 |
| Non-hazardous waste to non-landfill | 1,588 | 1,411 | 177 |
| Non-hazardous waste to landfill | 8,053 | 5,232 | 2,821 |
| Total non-hazardous waste | 41,708 | 37,323 | 4,385 |
| Hazardous waste recycled | 1,241 | 414 | 827 |
| Hazardous waste to non-landfill | 13,393 | 1,224 | 12,169 |
| Hazardous waste to landfill | 63 | 12 | 51 |
| Total hazardous waste | 14,698 | 1,651 | 13,047 |
| Total waste recycled | 33,308 | 31,094 | 2,214 |
| Total waste to non-landfill | 14,981 | 2,635 | 12,346 |
| Total waste to landfill | 8,117 | 5,245 | 2,872 |
| Total waste | 56,406 | 38,974 | 17,432 |

5 major facilities

achieved our 2025 Goal of sending zero waste to landfill in 2023

59%

of waste generated was recycled

>85%

of packaging material comprised reusable, recyclable, or compostable content

³² Morton Grove, Lubbock, Cheektowaga, DuBois, and Pewaukee – all sites in the United States.

³³ Representing 45 sites (44 sites and the US/Canadian vehicle fleet) of legacy Evoqua that accounted for over 90% of its total environmental footprint metrics.

Biodiversity

Collective action is needed to mitigate human impacts on our watersheds, which directly influence biodiversity, ecosystem health, and human health. Our products and services empower our customers to protect biodiversity and water resources, and the knowledge, passion, and hands-on action of Xylem's team members has directly impacted watersheds where we live and operate.

We also involve our suppliers in our watershed and biodiversity restoration initiatives, mobilizing our network of employees and partners around the world to take meaningful action to protect ecosystems.

While biodiversity has not been a material focus for us in the past, the development of frameworks and standards such as SBTN (Science Based Targets for Nature), TNFD (Taskforce on Nature-related Financial Disclosure), or the European Standard for Sustainability Reporting E4 (Biodiversity and Ecosystems) will enable us to assess biodiversity more strategically in the future.

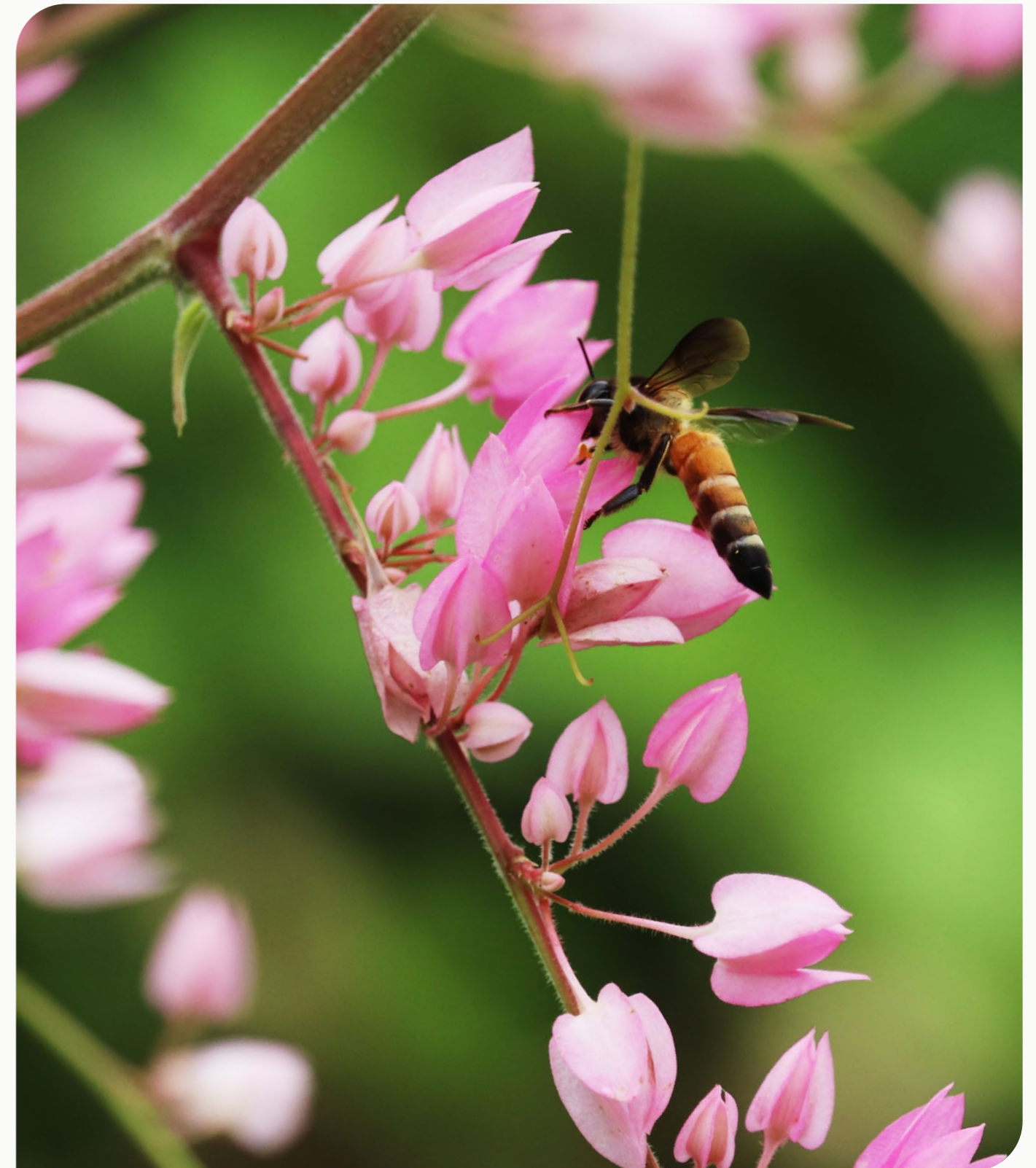
Watershed restoration

In 2023, Xylem employees around the world dedicated more than 30,000 hours to 400 volunteer events designed to protect their local watersheds and preserve biodiversity. For example, a group of employees organized a Watermark event with Xylem's Middle East & Turkey leadership and customers in Ajman, United Arab Emirates to spend the day planting mangroves – an important part of the local ecosystem that helps protect coastlines from erosion, provides habitats for various species, and stores carbon.

Xylem Watermark ran a two-month Watershed Challenge initiative, where employees and partners participated in trainings and volunteer events, such as invasive species removals, tree plantings, waterway clean-ups, rain garden building, storm drain labeling, water body testing and more. We collaborated with Stroud Water Research Center based in the United States to conduct a series of [webinars](#) as part of the challenge and participants activated donations from Xylem Watermark to the research center.

>30,000

employee volunteering hours to protect local watersheds and preserve biodiversity



Spotlight



An interview with Melanie Wade, Project Management Coordinator and Watermark Champion in Quenington, United Kingdom. We discuss conserving the natural beauty of England’s third largest protected landscape – the Cotswolds

Q: What makes biodiversity preservation so important at our Quenington site and in the wider community?

Melanie: Our site is in the center of a beautiful little village in the Cotswolds in Gloucestershire. It is surrounded by picturesque footpaths leading through woodland and along the banks of the river Coln. The Cotswolds cover an area of almost 800 square miles stretching through five counties, with over 3,000 footpaths and bridle paths to explore ancient woodlands and wildflower meadows. They are home to the Duke of Burgundy, the large blue butterfly,

many farmland birds, and the greater horseshoe bat. It is a place of natural beauty with rich flora and fauna.

Biodiversity preservation is crucial to the region, with the Cotswold’s being England’s third largest protected landscape and Area of Outstanding Natural Beauty. With our commitment to developing sustainable, innovative water solutions that have a lasting impact on communities, we can support local efforts in a significant way.

Q: Who plans the biodiversity conservation measures at the Quenington site?

Melanie: Biodiversity conservation is a big team effort here. Watermark Champions like me plan the efforts and inform colleagues about the events and where they can sign up. A very dedicated Charity team on site, made up of members from different departments, supports the planning and execution of these volunteer events. We are all aware of the importance of environmental responsibility and its impact on the well-being of the immediate community.

Q: What have you done at the site and what were your highlights in 2023?

Melanie: We have turned our site into a green oasis for our employees and visitors to enjoy. However, our gardening practices go beyond aesthetics and support the creation of a thriving ecosystem on our site. For example, we have installed flower beds from recycled wooden pallets, which create habitats and food sources for wildlife such as birds, butterflies, and insects. The flowers we have planted are essential for plant reproduction as they attract pollinators such as bees and butterflies. Another important aspect of our sustainable garden concept is the economical use of water. To this end,

we have installed a water-saving irrigation system that collects rainwater and thus minimizes water consumption. And since 2018, we have been composting on site to keep organic waste out of the landfill.

In addition to our efforts at our own site in Quenington, we actively engage with the local community on biodiversity issues such as the importance of biodiversity in ponds and water conservation in school gardens. In 2023, we worked with Noah’s Oak, a local charity that provides respite for underprivileged children. Our volunteers helped maintain the woodland by clearing paths and planting a mix of 15,000 spring bulbs for wildlife and children to enjoy. We have also engaged with local schools by giving talks to primary school children about the local waterways and their maintenance and safety, as well as carrying out water testing.

In 2024, we plan to continue our work with Noah’s Oak and expand our work with schools beyond the local area due to demand.

Q: What can other Xylem sites or companies learn from your biodiversity conservation experience?

Melanie: Don’t overthink it as it doesn’t need a lot of time and effort to get started. Start small and build it up as you go. There are a lot of passionate people working at Xylem – if you give them the opportunity to take action, they will.

But also start on your own doorstep: recycle, upcycle, repurpose, compost, grow your own produce, shop local – the list is endless. Every small change to the way we live and think can make a difference for the better.

Read more [here](#).

“We have turned our site into a green oasis for our employees and visitors to enjoy.”



Product sustainability

The reductions in environmental impact that our products enable are what we call the product’s “handprint,” while the summation of its impacts across all its life stages is known as its “footprint.” Increasingly, customers are considering the balance between the two – how a product’s handprint may help reduce their business’s impacts, but also the effects of the product’s footprint across its lifecycle. Our focus on disclosing both impacts supports our customers’ needs, while also helping us deliver on our commitment to reduce our products’ footprints.

In 2019, we established four product-based 2025 Customer Sustainability Goals that track how our products reduce our customers’ environmental impacts. We are expanding that effort with our new Water Stewardship commitment (p. 10-12).

Product handprint

At the end of 2022, we achieved the first of our four Customer Sustainability Goals: our solutions enabled the water industry to avoid over 2.8 million metric tons of CO₂e emissions. In 2023, we achieved two more goals: enabling our customers to prevent over 7 billion cubic meters of polluted water from flooding communities or entering local waterways and enabling customers to treat over 13 billion cubic meters of water for reuse with our treatment technologies.

The Pure Water Monterey project in California, which aims to create a drought-resistant and independent water supply for irrigation needs and groundwater replenishment, demonstrates the importance of partnering with customers to achieve these goals. Xylem provided equipment for the advanced oxidation processes that remove contaminants.

We are on track to achieve the last remaining goal of enabling customers to address more than 3.5 billion cubic meters of non-revenue water (NRW) by the end of 2025. Our metrology and leak detection solutions help utility customers identify infrastructure issues that result in water, energy, and service wastage, leading them to a more efficient and sustainable operations.

Looking beyond 2025, we plan to evolve our handprint goals and calculations to reflect a wider scope of our portfolio, including relevant legacy Evoqua products.

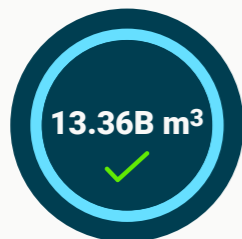
The handprint of the technology was calculated as follows:

$$\begin{aligned}
 &\text{Total flow rate customer Reports in first quarter of use} \\
 &\quad \times \\
 &\quad \text{Hours of operation per year} \\
 &\quad \times \\
 &\quad \text{Expected product life span} \\
 &\quad = \\
 &\quad \text{Lifetime water reuse}
 \end{aligned}$$

Progress towards our 2025 Customer Sustainability Goals

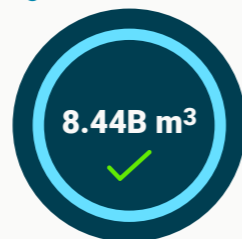
Treat over 13 billion cubic meters of water for reuse

2023 update:
+ 3.11B m³



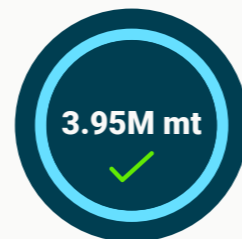
Prevent over 7 billion cubic meters of polluted water from flooding communities or entering local waterways

2023 update:
+ 1.90B m³



Reduce water’s CO₂e footprint by over 2.8 million metric tons

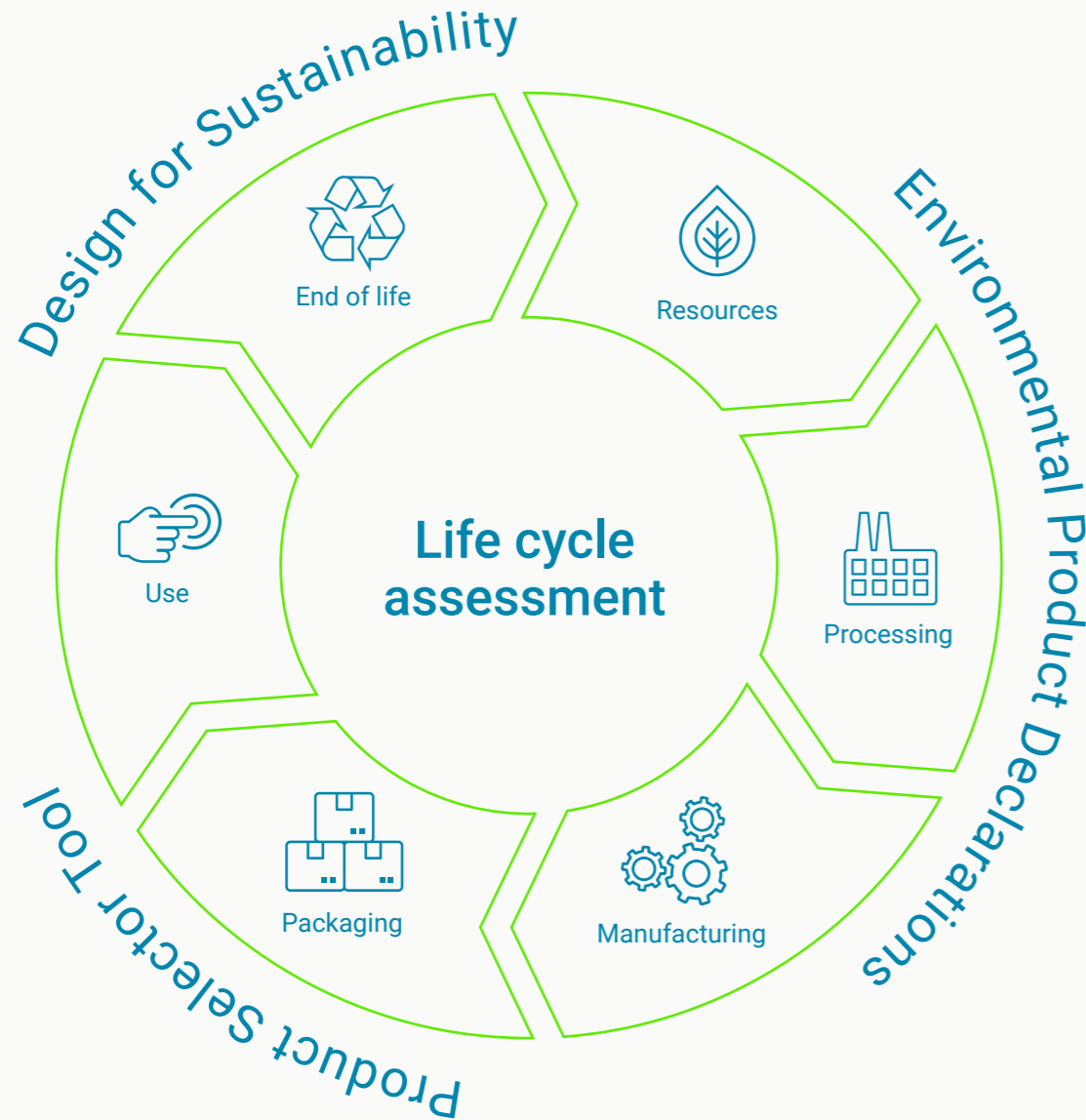
2023 update:
+ 1.15M mt



Reduce over 3.5 billion cubic meters of non-revenue water

2023 update:
+ 0.80B m³





Product footprint

In 2023, we developed our core capability for life cycle assessment in accordance with [ISO 14000 standards](#), which is considered the best tool for measuring a product’s footprint.

Product category rules are developed through industry alignment and are used by life cycle assessment practitioners to provide consistency and reliability. Although these rules are common for consumer and construction products, few of these apply to water industry products. This is a barrier to providing one of the most sought-after disclosures of a product’s footprint: an Environmental Product Declaration that has been validated by a third-party using product category rules as a review standard.

Xylem is addressing this issue by bringing its expertise to engage the water industry in developing product category rules. At the same time, we are also developing standardized Product Sustainability Reports that are designed to disclose the most frequently requested environmental impacts. For example, many customers ask for product carbon footprints limited to the “upstream” life stages of raw material extraction, manufacturing, and packaging. These life cycle assessments could be leveraged during product design to reduce products’ future environmental impacts.

In 2023, Xylem announced a partnership with LORENTZ, adding solar power and solar/grid hybrid solutions to our product portfolio. This exciting innovation will yield significant operational emissions reduction during a pump’s lifetime, benefitting customers especially in water-stressed areas where delivery of electricity is a concern. Solarization significantly reduces a pump’s overall footprint, demonstrating the intersection of product sustainability with our net-zero commitment, as Scope 3 Category 11: Use of Products Sold represents the vast majority of Xylem’s GHG emissions. In addition, we are strengthening our product circularity program to address customers’ interest in product takeback and recycling.

Product safety

We are committed to taking all appropriate safety measures related to the use of our products and services to protect our customers, end users, employees, the public, and the environment.

Governance of product safety

Our Board of Directors, primarily through delegation to its Audit Committee, oversees product safety and reviews the structure of our product safety governance with management. Xylem’s Product Safety Policy stipulates that product safety should be considered at all stages of product development and support, prioritizing the safety of our customers in the design, manufacturing, and maintenance of our products. Our Product Safety Management System, which consists of Product Safety Review Committees and a Product Safety Manual, provides that all safety-related incidents are reviewed at multiple levels, that incident management is tracked, and that roles, responsibilities, and annual training are documented. In addition, product safety dashboards are used in all business units and are reviewed quarterly by the Product Safety Steering Committee.

In 2023, we further expanded our product safety process. While we continue to focus on product safety in manufacturing and engineering, we have also established a foundation for product safety in our commercial teams around the world.

We recorded 34 product safety inquiries for legacy Xylem ³⁴ in 2023, of which 19 were only classified as inquiries and not as incidents. Seven were near misses, 24 were low-potential safety hazards that were reduced or eliminated once resolved, and three were moderate incidents with no personal injury recorded. Each incident resulted in a corrective action to mitigate and prevent future incidents.

Product safety risk assessments

Product safety is considered throughout the entire product lifecycle, including installation, operation, maintenance, and end of life. We also conduct safety risk assessments for new and modified products where design changes could have a potential impact on safety.

Our proactive process assesses and documents product safety risks for each new product during its development. Unacceptable risks are mitigated by design before the product is released for sale. In addition, we follow a reactive process in which all product safety incidents are analyzed by a local product safety coordinator and, depending on the severity, escalated to the responsible Product Safety Review Committee to develop a risk mitigation plan.

³⁴ Product safety data for legacy Evoqua is not available for 2023. We are planning to report combined data for both legacy organizations once all integration processes have been completed.

Impact on society

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Human rights

We are committed to respecting human rights as set out in the United Nations Guiding Principles on Business and Human Rights. These include the internationally recognized human rights as defined in the International Bill of Human Rights and the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work. We are also a signatory to the United Nations Global Compact, the CEO Water Mandate and the Women’s Empowerment Principles.

Our [Human Rights Statement](#) formalizes our long-standing commitment to upholding and respecting human rights and contains overarching principles that we incorporate into our policies and management systems. It reflects the fundamental standards of business conduct and human rights and helps us to identify and manage the human rights impacts of our operations, mitigate risks, and promote collaborative and transparent engagement with our stakeholders.

We continue to develop due diligence processes to prevent, mitigate and remedy adverse impacts on human rights and the environment, following the OECD Due Diligence Guidance for Responsible Business Conduct and the United Nations Guiding Principles on Business and Human Rights. In addition, we continue to implement appropriate controls intended to prevent, mitigate, or remediate relevant risks and prevent abuses, including in relation to the activities of external stakeholders and throughout our supply chain, and monitor the effectiveness of our controls and take or cooperate in taking remedial action where necessary.

We recognize that our commitment to advancing human rights is an ongoing effort and we continue to work to evolve our human rights program.

Supporting policies and positions:

- [Code of Conduct](#)
- [Business Partner Code of Conduct](#)
- [Statement on Efforts to Combat Modern Slavery](#)
- [Conflict Minerals Policy](#)

Training

Our employees are trained in human rights-related policies and procedures through our Code of Conduct annual training. In 2023, 98% of our employees completed the Code of Conduct training and certified their compliance with its mandate.

Human rights in our supply chain

In early 2024, we updated our Business Partner Code of Conduct and took additional steps to assess the effectiveness of our suppliers’ policies, emphasizing the importance of human rights and ethical labor practices at Xylem across our value chain.

We review our suppliers’ labor and human rights practices annually using the [EcoVadis platform](#). As of year-end 2023, Xylem had more than 800 suppliers with active EcoVadis scorecards, covering 43.4% of legacy Xylem’s global spend. If a supplier is classified as “high sustainability risk” through this assessment a request for an on-site audit is triggered, which is conducted in coordination with the Xylem Supplier Quality Team and an external auditor. We conducted the first on-site audit as part of our sustainability risk mitigation process in 2023.

Based on the EcoVadis assessments, their expert analysis and the 360° Watch Findings (artificial intelligence monitoring), no major violations of human rights or labor practices were identified.

At the end of 2023, we extended the EcoVadis scorecard sharing request to legacy Evoqua suppliers active on the EcoVadis platform. As we continue to integrate legacy Evoqua suppliers into our supply chain, we plan to further expand the scope of legacy Evoqua’s supplier reporting to EcoVadis to continuously improve supply chain transparency and mitigate supply chain risks.

Modern Slavery

As with our human rights efforts, we rely on our revised Business Partner Code of Conduct and EcoVadis assessments to identify and prevent modern slavery risks in our supply chain. We expect our supply partners to comply with local labor laws and understand international standards on modern slavery.

Using the [EcoVadis IQ Risk Management Tool](#), we monitor our suppliers for reported incidents or potential risks. The highest risk suppliers identified by the tool undergo an internal corporate social responsibility assessment to further mitigate the risk of misconduct by our supply chain partners.

98%
completion rate of
Code of Conduct training

>43%
of legacy Xylem’s global supplier
base by spend had completed
an EcoVadis assessment.



© Alexis de Kerchove (Xylem)

Our people

Our success is built on a workforce that is driven by purpose and our shared commitment to sustainability. We foster an inclusive and equitable environment where diverse colleagues feel they can be themselves, have opportunities to grow, contribute in meaningful ways, and have a sense of belonging.

When we brought Xylem and Evoqua together in 2023, we worked to evolve our organizational culture to enable the combined company to achieve our purpose – empowering our customers and communities to build a more water-secure world – and create value for our stakeholders.

By leveraging our diversity and a learning mindset, we drive innovation. By focusing on the needs of our customers and making the trust we place in each other visible, we empower our teams. By driving clarity and focus, we deliver on our commitment to each other, our customers, and our other stakeholders.

Spotlight



Interview with Rachel Darcangelo, Xylem's Vice President, Global Leadership, Talent, and Culture

Q: What is “High-Impact Culture” and how did it come about?

Rachel: The combination of legacy Xylem and legacy Evoqua gave us the opportunity to pause and evaluate what culture we wanted to create for the new company that would enable us to achieve our strategic priorities through effective collaboration. We looked at the cultures of both companies and identified similarities and differences through focus groups, interviews with senior leaders, and employee surveys. The resulting strengths and opportunities of the combined organization gave us

insight into which behaviors we should lean into and which we should change, and which processes support the execution of our business strategy. We also looked at behaviors and characteristics of companies that shape markets.

Ultimately, we decided to focus on the positive impact we can make with the platform of solutions we have created from the combined legacy companies for our customers, their communities, and our colleagues. For this reason, we refer to our aspirational culture as a “High-Impact Culture.” The words *high-impact* were intentional and align with our goal to create positive economic and social value and also underscore what we can do together and as individuals.

Q: What are the aspired behaviors that are consistent with our High-Impact Culture?

Rachel: There are three key behaviors that I would like to highlight. The first is Inspired to Innovate, which is about gaining experience to create high-impact solutions, sharing information, and leveraging the expertise of others inside and outside Xylem to continuously learn and develop ourselves and others. The second behavior is Empowered to Lead, which is about trusting others and knowing when to step up and lead and when to follow. It's also about actively supporting others to connect and prioritize our actions with our strategy, celebrating individual and team performance and making decisions based on diverse perspectives. And third, it's about being Accountable to Deliver, which means meeting our commitments to our customers, communities, and colleagues and helping them solve their biggest water challenges.

These behaviors will help us improve employee engagement, speed, and decision making as they become visible in our daily actions and practices, including the successes we celebrate, the results we reward, and the way we work as a team, to name a few.

Q: How will you measure the success of the High-Impact Culture?

Rachel: While there are quantitative metrics that we use to measure our progress, such as our employee surveys, we will recognize success by the way we operate – when decision making becomes simpler and when we hear from our customers that it is easier to do business with us.

Our High-Impact Culture will be the cornerstone of our success and instrumental in creating an environment that fosters innovation, leadership, employee development, ownership, and accountability. And I know our customers and colleagues will let us know when we get it right.

“Our high-impact culture will be the cornerstone of our success and instrumental in creating an environment that fosters innovation, leadership, employee development, ownership, and accountability.”

Talent management

Developing and implementing policies and programs that promote inclusive and diverse hiring, professional development opportunities, comprehensive benefits, and fair compensation is key when aiming to attract, retain, and develop talent. For that reason, we have strengthened existing programs and policies and added new programs and policies related to managing our workforce in 2023.

Recruiting and hiring top talent

In 2023, we increased our global efforts to attract the next generation of diverse water leaders, developing several inclusive and equitable hiring programs targeting these future leaders:

Youth engagement programs

To expose young people to the water challenges we face and equip them to be the next generation of water leaders, we continue to support a number of youth engagement programs through Xylem Ignite, Stockholm Junior Water Prize, Water Heroes Academy, and Earth Echo. See p. 61 to learn more.

Local university student and graduate programs

To recruit and hire students globally, we take a local approach, identifying strategies that are best suited to attract talent in the disciplines we need for entry-level programs. We have University Champions that support relationship building at specific universities and directly engage with students, sharing their own experiences. Programs included:

- In the United States, we further developed our university recruitment strategy by participating in student learning events and career fairs. University Champions spoke to students on campus throughout the year.
- In Sweden, we launched our partnership with Cogig's Female Technical Engineer program to attract women starting their careers. The program brought us together with female engineering students from major technical universities.

- In South Africa, we identified unemployed skilled talent for entry-level positions through our Advance Learnership program, which provides a clear roadmap from interview to employment, learner well-being, and development.
- In Southeast Asia, the Student Experience and Outreach program introduced over 100 students from various educational institutions to Xylem, the water industry, and water sustainability.
- In the Middle East and Turkey, we launched a program that guides students throughout their educational journey, from school experiences and internships to preparing for employment.

Global university student and graduate programs

In 2023, we continued our partnership with Parker Dewey, a mission-driven organization that connects great talent with companies through micro-internships. Thirty-eight short-term, professional projects were completed by paid college or graduate students supported Xylem while engaging the next generation of water innovators and leaders. The program attracted a highly diverse group of micro-interns, 45% of whom self-identified as racially or ethnically diverse and 65% of whom self-identified as female.

Other inclusive and equitable hiring programs

We also continued and implemented hiring programs focused on attracting talent of all career levels to create a more diverse, equitable, and inclusive workforce. Here are some examples³⁵.

Veteran hiring program

We continued our partnership with the Hire Military's SkillBridge Internship Program in 2023. This program offers transitioning military personnel the chance to gain hands-on experience at Xylem, equipping them with valuable skills and facilitating a smooth transition into full-time roles upon completing their service.

Fair chance hiring program

We expanded our "fair chance" hiring practices in the United States to broaden our talent pool by offering employment opportunities to people with criminal records. With our partner, Envoy, we launched projects for fair chance hiring at two major manufacturing sites in 2023. The projects included planning and strategy development, talent recruitment, policy and practice updates, community partnerships, coaching and training for key

employees and teams, and the development of a final blueprint for company-wide implementation. In 2024, we are planning to analyze the lessons learned from the two sites to implement the pilot at additional locations.

Onboarding

Given the dynamic nature of our company and the industry, providing key information to new employees in their first few weeks is vital to accelerate their ability to contribute to our High-Impact Culture.

In 2023, we established a Global Onboarding Hub to offer a seamless onboarding experience for our new employees and ensure they receive key information. We have also maintained our onboarding programs for new employees, including our Virtual Global Orientation, which provides valuable opportunities for new employees to interact with senior leaders, gain insights into successful business stories from seasoned professionals, and connect with other new employees from across the organization, and our monthly onboarding program. Our key areas for improvement in 2024 include enhancing the onboarding process for a more personalized experience. We aim to extend a warm welcome from the pre-onboarding stage and streamline and standardize the onboarding program based on the experience survey feedback.

Offboarding

In 2023, our voluntary turnover rate was 8.5% for the combined company, which is below industry average.

Performance, learning and development

We strive to empower our employees to reach their full potential through continuous learning and professional development.

Performance management

Our performance review system "Connect. Perform. Grow." (CPG) provides a performance management framework that encourages ongoing, meaningful conversations between managers and team members that focus on performance feedback, goal assessment, coaching, growth opportunities, and career development. These conversations are held regularly throughout the year.

Learning

We have adopted a 70/20/10 approach to employee learning and development as we recognize that most learning takes place on the job (70%), and through interactions with colleagues, customers, and partners (20%).

While these experiences are invaluable, they are not reflected in our learning management system, which offers formal learning opportunities (10%). It provides employees with on-demand/self-paced learning and live virtual events covering a range of topics including feedback, coaching, change management, inclusive leadership, effective remote work practices, digital literacy, and role-specific skill training. In 2023, we recorded an average of 16.75 formal learning hours per employee.

8.5%

voluntary turnover rate

16.75

average formal learning hours per employee

³⁵ More programs under "Diversity, equity, and inclusion" on p. 45-49.

Developing a talent pipeline

A broad range of talent development programs and experiences support the continued professional growth and leadership development of our colleagues, advance internal talent mobility, and support our succession plans. These programs span all levels, businesses, and functions and include entry-level talent recruitment programs, emerging leader development programs, people leader training, and executive leadership development.

Development of high potentials and experienced managers

In 2023, we conducted various leadership programs aimed at emerging and experienced leaders:

- More than 120 legacy Xylem employees globally participated in the First Time Leader Program pilot and more than 140 legacy Evoqua employees participated in the Intentional Leadership Program for frontline leaders. Both programs focused on the development of foundational leadership skills.
- More than 45 high potential colleagues participated in Emerging Leaders cohorts with three distinct focus areas: Supply Chain Leadership, Innovation and Technology Leadership, and Strategy Fellowship.
- The nine-month, cohort-based Manager to Leader program aimed to grow the leadership skills of 20 high-potential mid-level managers and prepare them for broader people leadership roles.
- The 18-month Growth Talent Sponsorship program provides career guidance and advocacy to accelerate the visibility, career growth, and overall effectiveness of high-performing mid-level talent. The program paired 18 high potentials with 18 sponsors from middle management.
- The 18-month Senior Leader Sponsorship program provides career guidance and advocacy to accelerate careers, create a culture of growth, and sustain a robust and diverse pipeline of qualified talent for leadership positions. The program paired 15 high potentials with 15 sponsors from senior leadership.

- Twenty U.S. early career and three experienced leaders, who were nominated by our Maji and Hispanic Origin and Latin Affinity employee network groups, participated in McKinsey's Connected Leaders Academy – an external leadership development program that includes customized content relevant to Black, Asian, Hispanic, and Latino leaders. With separate training tracks for early career and experienced leaders, the program builds skills and improves our talent pipeline. In 2024 we are looking to expand participation in additional countries.
- The year-long, cohort-based Executive Development Program enhanced enterprise leadership capabilities of 19 high-potential managers while building competencies to lead transformation and prepare them for future succession. The program offers participants the chance to connect with Board members during the program's final event, where they can exchange insights and authentically learn about Directors' experiences.

Early career development

We also ran various early career development programs consisting of three different rotations where participants take on key roles related to the company's strategy. They learn about Xylem and the functional program area, gain exposure to different areas of the business, and are given opportunities for networking and development. Eighty Finance, Operations, and Engineering employees from both legacy companies participated in these programs in 2023. Additionally, three employees participated in legacy Evoqua's Commercial Leadership Development program and legacy Evoqua launched its first Talent Accelerator program, hiring six emerging talents for a 17-week training cohort who were then placed in sales roles across the United States.

Xylem's Innovation Champions Program

The Xylem Innovation Champions Program, launched in early 2022 in collaboration with the Xylem Innovation Labs corporate innovation and venture team, offers employees a unique professional development opportunity. Participants gain exposure to new technologies and enhance skills while contributing to Xylem's innovation and growth. Working alongside a chosen startup and a member of the Xylem

Innovation Labs team, Innovation Champions provide subject matter expertise and advocate for the startup's technology or solution within the organization. Open to all colleagues, 126 employees have participated to date, with an average of 42 participants annually. Feedback from Xylem employees included, "If you want to be a part of innovative ways of solving water, then you want to be a part of this program. This program not just helps in our business growth but also in our professional growth."

Externship

In Sweden, we took part in Introduce a Girl to Engineering Day, organized by [Womengineers](#). The program is intended to encourage young women to pursue an education in engineering. Twenty girls aged 13 to 19 from nearby schools visited our Sundbyberg site where they were introduced to engineering careers in the water sector through a guided tour of one of our labs followed by two water testing assignments.

Social impact leadership opportunities

Through our volunteer program, Xylem Watermark, over 500 colleagues dedicated volunteer time to leadership roles supporting our social impact endeavors. These are invaluable leadership development opportunities that also support social impact creation in our communities. Learn more on p. 57.

Recognition

Celebrating the value that individuals and teams bring is vital to foster our High-Impact Culture. Our JobPoints Recognition platform offers both monetary and non-monetary rewards, while our internal social media platform, Xylem Now, facilitates peer-to-peer recognition. Additionally, employees receive Spot Bonuses and positive messaging via our Workday platform. This dedication to acknowledging colleagues' contributions helps retain and motivate our growing workforce. As we further embed our High-Impact Culture across Xylem, we strive to ensure that every employee feels appreciated for their role in our success.





Compensation and benefits

As part of our global well-being framework, we provide employees with benefits that address a broad range of their needs. The framework recognizes that well-being requires a holistic approach that encompasses the interconnected aspects of their lives – physical, mental, emotional, social, and financial.

While initiatives vary by country, location, and role, our competitive compensation packages and benefits go beyond salaries and wages to include health insurance coverage, retirement plans, paid leave, wellness programs, mental well-being, flexible work schedules, stock options, remote and hybrid workplaces, and more.

Employee benefits

Physical well-being

We offer our U.S. employees comprehensive health benefits including medical and prescription drug, dental and vision plans. Additionally, we launched a back and joint program through the Hinge Health app in 2023 that provides digital exercise therapy for back, knee, hip, shoulder, and other chronic pain. They now also have access to a hearing exam every 24 months, which is covered under Xylem's medical plans. Our medical plans provide equitable access to any covered healthcare services not available locally by covering travel and lodging expenses.

Employees in Europe have access to comprehensive healthcare and regular check-ups. All Emerging Markets regions now have family coverage for health insurance.

Mental well-being

The World Health Organization (WHO) estimates that depression and anxiety alone cause a loss of one trillion dollars in productivity for the global economy each year³⁶. Deloitte also found that employers see a 430% return on every dollar invested in staff mental health³⁷.

We acknowledge the importance of promoting and safeguarding the mental health of our colleagues in Xylem's long-term sustainable growth and success. We offer our employees mental health support through our Employee Assistance Programs, which are available in 47 countries around the world. These programs offer confidential counseling and support services 24/7 for employees and their families in Europe; emotional and physical health webinars in Emerging Markets; and access to the online therapy platform

Talkspace in the United States, where employees can talk to a licensed behavioral therapist through unlimited text, video and audio messages via web browser or mobile app.

In addition, 117 employees were certified as "Mental Health First Aiders" in 2023. These employees completed a training course in which they learned how to recognize and support an employee experiencing a mental health issue or crisis in the workplace and direct them to supportive resources – bringing our total number of certified Mental Health First Aiders to 535.

Online self-study learning programs in the Xylem Learning Center and our internal mental health and wellness social media group provide additional resources. Managers also have access to ad hoc mental health coaching when needed. We are reducing the stigma surrounding mental health with these offerings, as well as through leadership involvement and discussions on the topic. As a part of our dedication to mental health, we offer coaching and training for people in leadership roles, carry out psychosocial safety audits, and host "Leaders Talk" sessions where leaders openly share their personal experiences with mental health challenges.

Financial well-being

According to a 2023 PwC study³⁸, 57% of study participants said that finances were the main cause of stress in their lives. Financial stress can have a negative impact not only on mental health, sleep, self-esteem, or physical health, but also on an employee's productivity and engagement. According to the study, financially stressed employees are also more likely to be distracted and less engaged. To promote and support the financial well-being of Xylem employees, we introduced several regional programs in 2023.

For example, in the United States, we introduced a student debt program that provides a monthly payment of \$100 directly toward employees' student loans up to a lifetime maximum of \$10,000. This contribution, which is in addition to regular loan payments, helps employees pay off their student loans faster. U.S. employees also have access to the optional Aight Digital Wallet compensation tool, which allows them to access up to 50% of their earned wages before payday. They can view their available wages, choose how much money they want to withdraw, and designate where they want to deposit the money. For many, this can alleviate the financial stress of waiting for payday and give employees the ability to access money in case of unexpected expenses between paydays. In addition, full-time employees in the United States can participate in Xylem's retirement plan and choose from different types of life and disability insurance.

In Europe, we help our employees build their financial literacy by offering them financial planning workshops and retirement planning advice. In the future, we plan to offer financial flexibility on a broader basis with similar benefits in other markets, where possible depending on the region or country.

Flexible working arrangements

We have significantly enhanced our policies and benefits in the United States in recent years to increase employees' ability to manage their flexibility and paid time off. Our shift to flexible work arrangements simplifies the way our employees manage their time off by giving them the flexibility to take time off when they want (including vacation, sick and personal time), and for however long they need.

Employees in other regions also have access to flexible work schedules and remote work options to reduce burnout and enable an inclusive culture.

Parental leave

Parental leave is typically determined based on local practices and regulations at locations around the world.

In the United States, for legacy Xylem employees, we have enhanced our paid parental leave policy to support working caregivers. New mothers are eligible for up to eight weeks of paid parental leave, as well as short-term disability insurance that covers 100% of income for the first six weeks of paid leave. Fathers, other same-sex partners and new parents through adoption, surrogacy or foster care are also eligible for the same paid parental leave, which can be taken within the first six months of a leave-eligible event. In 2023, about 4,400 legacy Xylem U.S. employees were eligible for the enhanced paid parental leave – about 1,070 women and about 3,300 men. One hundred employees took parental leave, of which 15 were women and 85 were men. All U.S. employees who took parental leave in 2023 returned to work at the end of their leave. Legacy Evoqua employees are eligible for the same benefit starting in 2024.

535
total certified Mental Health
First Aiders

³⁶ WHO – Mental health at work

³⁷ Deloitte – 2022 Mental health and employers. The case for investment – pandemic and beyond

³⁸ PwC – 2023 Employee Financial Wellness Survey (based on an online survey of 3,638 full-time employed U.S. adults across a variety of industries in January 2023).

In the United States, we also provide coverage for travel costs related to reproductive care not available in the state where an employee resides, as well as medical coverage for IVF and other fertility treatments.

In Europe, we offer pregnancy loss leave to our employees in EU member states and shared parental leave in Switzerland, in addition to local practices and regulations to enable a more inclusive work culture. In some Emerging Market regions, we have improved our parental leave practices and are working on more country-specific comprehensive parental leave policies to be implemented in 2024.

Voluntary time off benefits

We encourage and support our employees around the world to volunteer in their communities on water-related projects as part of our global corporate social responsibility program Watermark. In 2023, Xylem offered 10 hours of time off each year for volunteer activities, which will be increased to 20 hours in 2024. In 2023, 89% of legacy Xylem employees volunteered, contributing over 184,000 hours of community service. We believe this helps us create a workplace environment that fosters employee well-being, engagement, and a sense of community, ultimately reducing absenteeism.

Compensation

Our compensation programs are tailored to be competitive within each local market linked to our business strategy, helping us attract, retain, and motivate our employees, and supporting our pay-for-performance philosophy. Our compensation package comprises base salary and, for eligible employees, performance-based incentives such as annual, sales, and long-term incentives.

Internal pay equity

Paying employees fairly for their work reduces feelings of injustice or discrimination, as well as stress or anxiety. It also improves the overall well-being of employees, increasing job satisfaction and improving workplace culture.

In 2023, we conducted a gender pay equity analysis across all countries for a significant number of employees, as well as a race and ethnicity pay equity analysis for the United States. Overall, there were no systemic pay inequities for gender or race. Where a pay equity gap existed, employees were identified, and we began implementing plans to reduce these gaps by 2025 through our annual compensation process and ongoing monitoring.

Employee feedback communication

In the first and third quarter of 2023, we conducted two employee pulse surveys. These surveys gathered simplified, action-oriented information to empower us to create positive impact across the organization. With survey insights, we put actions in place to increase employee engagement and foster a High-Impact Culture in which all employees feel inspired, empowered, and accountable to deliver the best of Xylem.

The pulse surveys were deployed to approximately 4,500 employees and focused on employee engagement, simplification, and efficiency. The third quarter survey included both legacy Xylem and legacy Evoqua employees and achieved a response rate of approximately 40%. Employees responded positively, with a 57% overall favorable result.

In 2024, the global employee survey will be revamped and deployed with a new structure and improvements to the process to increase our effectiveness in using employee feedback to create lasting, positive change. Upgrades include expanding the survey to reach all employees (on and off the manufacturing floor) for greater representation of the total population, a revised survey design and outputs for more detail and clarity across top employee insights, an appointed senior leader cohort for the creation and execution of actions, and a full-circle communication plan for broader recognition of progress due to employee feedback. Inspiring positive change is a top priority as we continue to grow and evolve as an organization.

Employee representation

We believe that the work of labor organizations, works councils, and unions improves the lives of our employees and respect their legal right to join or opt out of such organizations. We raise awareness among managers at all levels of the importance of respecting the employees' right to organize.

As of December 31, 2023, we employed around 23,000 people worldwide. Around 66% of our employees in Europe are represented by trade unions or works councils and 11% of our employees in the United States are covered by collective bargaining agreements. In some other countries, employees are also represented by works councils.



83%
global gender pay equity assessment completed

87%
of U.S. gender and race/ethnicity pay equity assessment completed



Diversity, equity, and inclusion

In the United States, 1.7 million people work in the water sector, and most of the workforce are older white men³⁹. The aging of the workforce and the challenge to attract a robust pipeline of new talent to the sector make it difficult to increase the diversity of the water workforce. At Xylem, increasing diversity, equity, and inclusion in our workforce is critical to empowering our customers to tackle global water challenges. We are committed to a workplace that creates a sense of belonging for all, where everyone feels inspired to innovate, empowered to lead, and accountable to deliver while feeling able to bring their authentic selves to work.



Bringing together people from different backgrounds and cultures, with different perspectives, talents, and experiences, generates new ideas and different ways of seeing and solving problems. Innovation, in turn, leads to better products and services for our customers. Diverse and inclusive teams that reflect the diversity of those we serve also help us strengthen relationships with our customers and communities and help us better understand the different perspectives of stakeholders, end users, and customers. This enables us to build trust, nurture relationships, and understand and solve problems faster – across markets and cultures around the world.

We believe that diversity, equity, and inclusion (DEI) enables us to attract the right talent, be more innovative, and positively impact employee and customer satisfaction, which ultimately makes us more competitive.

DEI in numbers

A key component of our DEI efforts is to increase the transparency of our diversity data. This will promote internal accountability and provide employees, potential new talent, and other external stakeholders a clear overview of the diversity of our workforce and progress toward our goals. We include DEI data in our quarterly executive business reports and included female representation in leadership in our ESG Performance Share Units (PSU) grant awarded in 2021.

Diverse 2025 representation goals to be achieved through merit-based retention, promotion, and recruitment:

-  Achieve 29% women in leadership
-  Achieve 21% minority representation in U.S. leadership

Following the acquisition of Evoqua, we adjusted our “women in leadership” goal from 35% to 29% women in leadership positions⁴⁰ by 2025 and from 50% to 35% by 2030. Similarly, our “minority in leadership” goal now aims for 21% representation in U.S. leadership roles by 2025 compared to the previous 25%, with the target of reaching 25% by 2030. Challenges in achieving these goals stem from turnover, the availability and attraction of diverse talent in the sector, and lower diversity in legacy Evoqua leadership. These adjustments were informed by McKinsey research⁴¹, which indicated that Xylem meets or exceeds industry benchmarks for women in leadership.

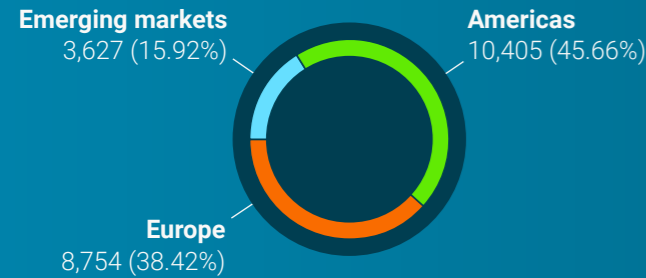
³⁹ According to the [Brookings analysis of BLS Occupational Employment Statistics \(2016\)](#) nearly 85 percent of the workforce are male and two-thirds white.

⁴⁰ “Leadership positions” are defined by an internal salary band structure that reflects executive and critical leadership positions.

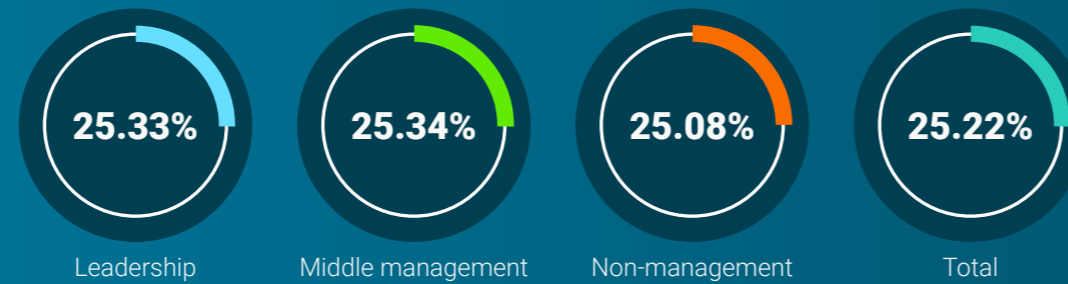
⁴¹ [McKinsey Women in the Workplace 2023 report](#)

2023 DEI key figures ⁴²

Employees by geographical area



Percentage of women representation by management level globally



U.S. employees by race and ethnic minority group

| | African-American | Asian-American | Hispanic | Other race / ethnic minority | Total |
|-------------------|------------------|----------------|----------|------------------------------|--------|
| Leadership | 3.61% | 7.22% | 6.16% | 2.12% | 19.11% |
| Middle management | 5.37% | 7.40% | 6.76% | 2.06% | 21.59% |
| Non-management | 15.04% | 3.50% | 14.23% | 3.09% | 35.86% |

U.S. employees by age ⁴³

| | <30 years | 30-50 years | >50 years |
|-------------------|-----------|-------------|-----------|
| Leadership | — | 1.17% | 1.29% |
| Middle management | 0.34% | 7.69% | 5.93% |
| Non-management | 12.86% | 39.22% | 31.51% |
| Total | 13.20% | 48.08% | 38.73% |

Board diversity

Xylem and its [Board of Directors](#) believe diversity in the boardroom is critical to the success of the company and its ability to create long-term value for our shareholders and other stakeholders. The Board actively seeks to consider a diverse group of candidates for membership on the Board, considering diversity in

terms of viewpoints, professional experience, education and skills, as well as race, ethnicity, gender, and nationality. Our Board is committed to actively seeking highly qualified women and individuals from minority groups to include in the pool of candidates from which Board nominees are selected.

Diversity profile of Directors ⁴⁴

Average tenure **5.4 years**

Average age **60**



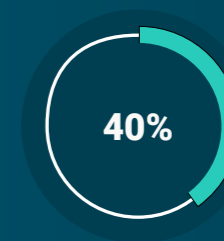
Female Directors



Directors who identify as LGBTQIA+



Ethnically or racially diverse Directors



Directors born outside of the United States

⁴² Please find additional employee data in the datasheet on p. 73 and the accounting principles on p. 76.

⁴³ Only legacy Xylem employees in the United States.

⁴⁴ Tenure and age as of the date of Xylem's 2024 Annual Meeting on May 16, 2024; gender, ethnicity/race, global origin, and sexual orientation as identified by the Directors that stood for election at that meeting.

Further diversifying our workforce

Implementing appropriate policies and practices and attractive programs, as well as providing opportunities for employees to develop their skills, is key to successfully creating a diverse, equitable, and inclusive work environment.

Policies and practices

Corporate policies and guidelines

We have multiple policies and guidelines in place that address diversity, equity, and inclusion in the workplace, such as our Hiring and Staffing Policy, U.S. Disability Accommodation Policy, Prevention of Workplace Harassment Policy, and Gender Transition Guidelines.

Diverse candidate slate

We have expanded our goal to interview a diverse slate of candidates when recruiting to fill open people leader roles to all open professional positions; however, only the most qualified applicants should be hired, with no exceptions. With this goal in mind, we have increased the percentage of diverse candidate slates for open professional positions by 6% compared to the previous year to 88% in 2023. Global adoption, focus on increasing the diversity of our internal talent pipeline, and strategic external talent sourcing will help increase our diverse candidate slate goal outcome going forward.

Regional DEI Councils

Xylem's three Regional DEI Councils serve as local volunteer boards that advise, support, and drive the advancement of region-specific practices aligned with corporate strategy to achieve our diversity, equity, and inclusion goals. The councils help create strategic accountability for results, expand outreach and oversight of diversity efforts, and promote communication with local leadership on progress.

LGBTQ+ inclusive benefits

Committed to providing comprehensive coverage for all, we partnered with Xylem's employee network group, LGBTQ+ and Allies Network, to enhance the visibility of our LGBTQ+ benefits in 2023. U.S. employees now have access to an LGBTQ+ benefits and services guide that clearly outlines our medical plans for same-sex spouses and domestic partners, transgender-inclusive health services, and additional services for our employees and their dependents, including, for example, a family formation stipend, HIV treatment and prevention, in-vitro fertilization support, adoption and foster care assistance, and surrogacy resources.

Programs

Sponsorship programs

We have set up several sponsorship and mentoring programs (see "Developing a talent pipeline" on p. 42) that bring together high-performing talent with experienced managers to offer them career advice and increase their visibility. These programs consider diversity and inclusion factors when selecting participants from the applicant pool.

Reverse Mentorship program

This six-month program pairs nominated members of an employee network group with members of the leadership team who want to increase their engagement with underrepresented groups to deepen their understanding of the structural and cultural barriers and challenges they face. The mentees and mentors meet monthly for a one-hour virtual meeting where they can openly discuss challenges and viewpoints in a safe space. In 2023, 33 pairings were formed.

McKinsey's Connected Leaders Academy

Employee network groups Maji and HOLA nominated Black, Asian, and Hispanic talent to participate in McKinsey's Connected Leaders Academy development program. In 2023, 23 Xylem employees participated in the Connected Leaders Academy's Leadership Essentials and Management Accelerator program. The Leadership Essentials program is aimed at individuals who have just started their career and want to become team and people leaders, while the Management Accelerator program is for mid-career managers who want to take the leap into a leadership position.

Water Environment Federation's (WEF) InFLOW program

This program promotes diversity and inclusion in the water industry by partnering with community job-readiness organizations to expose students to the variety of career possibilities in water and identifies students enrolled in undergraduate and graduate degree programs from historically underrepresented ethnic and racial groups. We have been an InFLOW Game Changer-level sponsor for the past five years and hosted the program's welcome reception in 2023.



Spotlight



An interview with Aria Harris, participant in Xylem’s Engineering Leadership Development Program and Equity champion

Q: Can you tell us a little bit about yourself and your journey that led you to the water industry and Xylem?

Aria: I graduated with a Bachelor of Science in Chemical Engineering from Howard University in Washington, DC – one of the oldest historically black universities in the United States – in 2022. I wanted to become a Biomedical Engineer to work on solutions for those grappling with diseases and life-altering conditions. Little did I know that a single project during my undergraduate tenure would ignite a passion for water security that would shape the course of my career.

Q: What was that project that ignited your passion for water and water security?

Aria: It was a project presented by my chemical engineering professor, posing a simple yet profound question: if we could alter one engineering catastrophe, what would it be? Instantly, my mind turned to the tragedy unfolding in Flint, Michigan, at the time – a crisis where access to clean, potable water eluded not just a community, but a community of predominantly people of color, right in our own backyard.

Q: How did the water crisis in Flint shape the course of your career?

Aria: Howard University collaborated with WEF InFLOW, the Water Environmental Federation’s program committed to fostering diversity in the water industry. So, I seized the opportunity and joined their StemPATH initiative, which provided me with a pathway to empowerment. WEF InFLOW opened doors by providing resources, connections, and exposure to industry leaders like Xylem at events before and during WEFTEC. One such event, "Journey Through Water," resonated deeply with me. Listening to leaders in the water sector share their commitment to community service through their work filled me with profound gratitude. It was clear that I had found my tribe – individuals driven not just by ambition, but by a shared mission to make a tangible difference in the world.

Through WEF InFLOW, I found a mentor at Xylem who guided me toward the Engineering Leadership Development Program, which I started in 2022. The program focuses on developing leaders to tackle the world’s most pressing water challenges.

Q: What has your experience at Xylem been so far?

Aria: Joining Xylem opened my eyes to the multitude of opportunities to blend service into the work we do, through initiatives like Watermark and our employee network groups. I became involved with some of our employee network groups like the National Society of Black Engineers and Engineers without Borders, channeling my passion not only to give back to communities but also to showcase the array of careers within the water industry to underrepresented groups.

My journey underscores the importance of education, mentorship, and community involvement. It highlights how our skills and passions can make a meaningful difference in a world where clean water is a fundamental human right, not a privilege.

Read more [here](#).

“Joining Xylem opened my eyes to the multitude of opportunities to blend service into the work we do, through initiatives like Watermark and our Employee Network Groups.”

Capability building

Championing Change: Driving Results through Inclusive Leadership

In 2023, we launched the Championing Change: Driving Results through Inclusive Leadership workshops. They are designed to increase leadership teams' accountability for creating an inclusive workplace by developing commitments tailored to their teams and the needs of the business. The interactive sessions covered topics such as inclusive leadership and its importance or alignment with key DEI concepts at Xylem and how to implement inclusion. Participants develop action plans for implementing inclusive practices in their teams, receive resources and coaching after the workshop and can track their progress.

DEI awareness days/months

In 2023, with the support of Xylem's employee network groups, we celebrated several DEI awareness days and months by offering special virtual sessions or workshops with guest speakers and providing additional resources. For example, we recognized International Women's Day, Martin Luther King Jr. Day, Black History Month, Pride Month, Hispanic Heritage Month, Veterans Day, and Disability Awareness Month, which featured guest speaker Aaron Golub, the first legally blind division one athlete to play in a game.

Xplore DEI series

The Xplore DEI series on our internal social media channel is a monthly online webinar with interactive group discussions that raises awareness of DEI issues and provides participants with skills for everyday inclusion. In 2023, nearly 6,000 employees joined the 12 session covering topics such as racial equity and inclusion, microaggressions and allyship.

XED Talk series

The XED Talk series by Xylem Europe is a virtual series hosting TED Talk-style events where colleagues and leaders volunteer to share their most passionate stories about DEI. These talks aim to inspire participants and empower them to contribute to creating a more inclusive workplace. In 2023, topics such as the significance of diverse teams, discussions on privilege and allyship, and insights on DEI from the world of stand-up comedy were featured, providing valuable lessons for building a more welcoming environment together.

Diverse Hiring training for people leaders

In 2023, Xylem Emerging Markets introduced an innovative training program for people leaders, emphasizing the significance of diverse hiring practices. The program equips leaders with the skills to recognize the importance of recruiting top talent and enhancing diversity within their teams. Participants engage in learning sessions to understand diverse hiring principles and practice strategies for attracting, interviewing, and hiring a more diverse range of candidates.

Our employee network groups

To promote inclusion and belonging among our colleagues, we have established a number of employee network groups. In 2023, we combined legacy Xylem's employee network groups with legacy Evoqua's Inclusion Network (EIN) to continue to highlight our unique qualities and promote respect for differences.

These seven groups are led by dedicated employees and each group is sponsored by a member of the senior leadership team. Our local chapters and our internal social media channel offer employees the opportunity to connect, share ideas, and learn from each other. Participation in these groups continues to grow: 21% of all Xylem employees are members of one or more employee network groups.

In March 2023, the Maji Network was officially launched, creating a safe space and communal network for Xylem's Black and African American employees. The network's mission is to foster inclusion, visibility, and advancement of Black employees and to champion issues of racial injustice that impact our communities.

21%

of Xylem employees are members of one or more network groups

Employee network groups



Women's Network

Advances the professional development and impact of women at Xylem by providing a supportive network to exchange ideas, facilitate learning opportunities, advocate for equality of opportunity, and unlock leadership potential.



Emerging Leaders Network

Professional network for early to mid-career professionals to develop the skills, knowledge and professional network to be successful within Xylem and the markets we operate in.



Veterans Network

Connects employees who are veterans of any military service and family members associated with the military to engage and discuss issues related to veterans, to network, learn, share, innovate and grow within the organization.



LGBTQ+ and Allies Network

Creates a community for Xylem LGBTQ+ employees and allies, supports our business goals by leveraging the talents of LGBTQ+ employees and establishes Xylem as an employer of choice for LGBTQ+ talent.



Maji Network (evolution of people of color and allies)

Fosters the inclusion, visibility and advancement of Black and African American employees and champions issues of racial injustice that impact our communities.



Hispanic Origin and Latin Affinity (HOLA) Network

Represents all Hispanic and Latin American across the world to share cultural heritage, support the community and foster professional growth at Xylem.



Non-Native English Speakers and Allies Network

Promotes a culture where non-native English speakers are included, are confident to contribute and know that their career progression will depend on the work they do – not just the quality of their English language skills.

Driving change through dialogue and partnerships

External partnerships

Our external DEI partnerships help us attract new diverse talent with broader experiences, alternative skillsets, and new perspectives to our work. In 2023, we focused our partnerships on reaching underrepresented talent and building the next generation of talent pipeline.

Diversity-focused partnerships to increase access to underrepresented talent in STEM and underserved talent:

- [National Society of Black Engineers](#) (United States)
- [GoodWill Talent Bridge](#) (United States)
- [HireMilitary](#) (United States)
- Fair Chance Hiring (United States)
- [Cogig](#) (Sweden)

Youth-focused partnership to engage and attract the next generation talent pipeline:

- [YES 4 Youth](#) (South Africa)
- [Ignite Youth Program](#) (Global)
- [Parker Dewey Micro Internships](#) (United States)
- [WEF Introducing Future Leaders of Water](#) (United States)
- [Stockholm Junior Water Prize](#) (Global)
- [City Football Group](#) (Global)
- [Jest – Junior Enterprise](#) (Italy)
- Agrotech (France)

Encouraging dialogue

In March 2023, the Reservoir Center in Washington, DC, held a [Careers for Change event on environmental justice and equity](#). Keynote speaker Maura Jarvis, Program Manager for Equitable Infrastructure at the US Water Alliance, spoke about her journey becoming Philadelphia Water Department's superhero mascot, Water Woman, to inspire youth and young professionals to solve environmental justice and equity challenges. A group of environmental justice leaders met with participants to further contextualize what environmental justice work looks like and how their skills and passions can be leveraged.

In July 2023, the Reservoir Center presented the “Young Leaders in Water: The Future of Water Equity” together with Water& and the North American Youth Parliament for Water. Discussions were held about how public trust impacts the relationship with water and how art and non-traditional communication methods can be used to strengthen the understanding of water equity-related challenges.

In September 2023, our Xylem India team created a [video](#) showcasing DEI in everyday action in the workplace. The video featured four talented engineering colleagues who are deaf or hard of hearing, highlighting our commitment to fostering an environment where everyone feels involved, respected, valued, and empowered to excel.

In January 2024, Xylem colleagues and leaders shared their DEI experiences in a new virtual XED Talk series, hosted by Xylem Europe. Five colleagues spoke about their journeys during the inaugural session, offering insights and advice for creating a more inclusive workplace. Participants were encouraged to join future sessions to add their own stories. For more information, please see “Capability building” on p. 49.

Xylem also fostered dialogue on diversity, equity, and inclusion at a number of tradeshows, such as [WEFTEC – WEF InFLOW](#), [Empowering Women in Industry](#), and the [Stockholm International Water Institute](#).

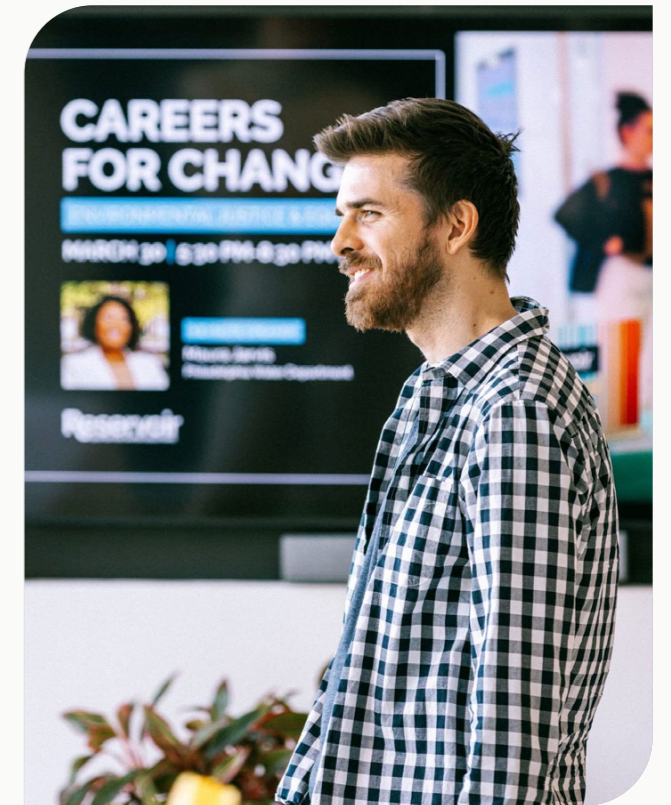
Addressing discrimination and harassment

To enable a consistent message and approach to harassment and discrimination, we intentionally align our Harassment Prevention Program with our Diversity and Inclusion Program. The Xylem Code of Conduct supports diversity and inclusion and the prevention of discriminatory practices by directly addressing these issues and providing guidance to our employees on how to conduct themselves as industry leaders and ethical corporate citizens.

In 2023, 75% of people leaders received inclusive leadership and unconscious bias training to manage bias at work, providing them with easy-to-adopt tips to self-check for unconscious bias in their everyday decisions and work practices – from hiring to team dynamics and career development.

We also expect our suppliers to be committed to diversity and inclusion, as outlined in our Business Partner Code of Conduct, which requires suppliers to consider diversity and inclusion in their selection decisions for their own suppliers and subcontractors.

75%
of people leaders received inclusive leadership and unconscious bias training



Health and safety

We are committed to taking all appropriate measures for the safety of our employees, customers, users of our products, the public, and the environment. Continued investment in safety programs and risk mitigation initiatives, leadership training, and communication is vital to promoting a safe work environment and a zero harm, high-impact culture. Furthermore, we cultivate a culture of mutual care, encouraging empathy, support, and collaboration among colleagues to prioritize their safety, health, and well-being.

Operational health and safety

Our environmental, health, and safety (EHS) policies and management system set our expectations for a safe working environment for all employees, contractors, and customers who enter our facilities. They describe the health and safety principles that guide our business planning and decision-making. They also provide employees at all levels with the tools to actively contribute to our shared success.

As part of our 2025 Sustainability Goals, we have set the ambitious target of achieving a Total Recordable Incident Rate (TRIR) of 0.50. To achieve this, we have initiated a comprehensive strategy outlined in our three-year plan. Central to our strategy is enhancing leadership capabilities to bolster our safety culture, with a focus on tracking leadership interventions on the shop floor and in the field. We have also modernized and simplified our EHS data management system for streamlined performance tracking aligned with our business objectives. Additionally, we emphasize regular reporting of safety and operational sustainability measures within existing site review processes to promote transparency

and accountability. To drive continuous improvement, we have monthly business reviews and apply lean manufacturing principles that strengthen our safety culture.

In 2023, proactive measures such as employee training and engagement initiatives, third-party compliance audits, and accountability meetings with management continued to enhance our safety culture. Events like Xylem Safety Week and Safety Awards also played an important role. These efforts are supported by monthly lessons learned, EHS insights reports, and supply chain management business reviews that are intended to promote transparency, facilitate data analysis, and drive the implementation of corrective actions and best practices across our global networks.

Safety performance

Legacy Xylem logged more than 2,300,000 additional work hours in 2023 compared to the prior year while reducing our Total Recordable Incident Rate (TRIR) by 16% to 0.54 and exceeding our internal goal of 0.57 for the calendar year. The reduction of our TRIR has led to considerable savings in employee workers' compensation costs in the United States over the last two years.

In 2023, legacy Evoqua's TRIR amounted to 0.85, resulting in a combined company TRIR of 0.61. With the acquisition of legacy Evoqua, we will restate our five-year TRIR by merging legacy Evoqua's data with legacy Xylem's while maintaining our 2025 Goal of 0.50.

Health and safety training

Health and safety training program

Xylem has a robust health and safety training program that delivers training in person and virtually, helping our colleagues understand their responsibilities and providing them with information to perform their jobs safely. Topics such as ergonomics, electrical safety, confined space entry, and driving safety are covered. In 2023, legacy Xylem colleagues completed close to 19,000 safety training hours in areas including compliance, safety leadership, and OSHA training.

Safety leadership training program

We have implemented a safety leadership training program that leverages a global leadership program and a regional workshop for EHS team members to collaborate and standardize expectations, roles, and responsibilities. In 2023, legacy Xylem teams completed more than 1,000 training hours as part of the Safety Leadership Program.

Three Xylem Safety Leaders participated in the Center for Executive Development (CEDEP) Leadership & Safety Culture Program, a four-day initiative to promote a positive corporate culture. This program is based on three pillars – knowledge, skills and performance, and behavior – and focuses on fostering a safety culture, mastering behavioral economics, and encouraging effective leadership and stress management. This program's main objective is to turn new health and safety challenges into a powerful performance lever.

~19,000

safety training hours completed

>1,000

safety training hours completed as part of the safety leadership program

Key 2023 safety data

| | Combined | Legacy Xylem | Legacy Evoqua |
|--------------------------------|----------|--------------|---------------|
| Total Recordable Incident Rate | 0.61 | 0.54 | 0.85 |
| Lost Time Injury Rate | 0.33 | 0.33 | 0.34 |
| Fatalities | 0 | 0 | 0 |

Spotlight

Xylem's 2023 Safety Awards

Each year, we recognize outstanding contributions that promote and uphold high health and safety standards, and demonstrate exemplary leadership, innovation, and commitment to continuous improvement through Xylem's CEO Safety Excellence Award scheme.

In 2023, Xylem recognized four sites with the CEO Safety Excellence Award for their commitment in fostering a culture of safety. These sites demonstrated exceptional engagement in safety and well-being, coupled with remarkable achievements in risk reduction and injury prevention:

Nanjing, China: Recognized in our "Large Manufacturing Site" category, this site implemented daily one-hour Gemba sessions – a workplace walkthrough conducted by the management team that aims to engage employees, discuss their tasks, and identify productivity gains. The site also set high standards by implementing the "I Am the EHS Engineer Today" initiative, fostering the understanding that safety is everyone's responsibility.

Herford, Germany: Awarded in our "Medium Manufacturing Site" category, Herford's achievement of ISO 45001:2018 certification underscored the site's commitment to international safety standards. Hosting two health days for colleagues in 2023 and earning a Gold Award from the Royal Society for the Prevention of Accidents (RoSPA) further demonstrated their dedication to promoting well-being.

Vadodara, India: In our "Small Manufacturing Site" category, Vadodara earned recognition for the site's remarkable safety record, including being a two-time recipient of the RoSPA Gold Award and achieving nearly 4,500 days without a recordable incident. The site's impressive 140% increase in concern reporting highlighted the team's proactive approach to safety culture.

Toronto, Canada: Awarded in our "Sales and Service Site" category, Toronto's achievement of over 8,900 days without a recordable incident showcased the site's steady commitment to safety excellence. Initiatives, such as implementing mentoring training for new mechanics and conducting slip, trip, and fall workplace organization campaigns, exemplify the team's commitment to safety.

In addition, we recognized 112 sites for their exceptional safety performance, demonstrating zero injuries, no serious near misses, and a risk reduction index score exceeding 95. Furthermore, 41 sites were honored for their remarkable dedication to improvement, achieving a 50% or more enhancement in safety performance, as measured by injury frequency. This work highlights our collective efforts to value safety, driving us toward a sustainable future built on a foundation of well-being and resilience.

WASH access for employees

In 2023, we continued our commitment to WASH4Work by providing all employees with access to WASH facilities in the workplace. Our facilities test drinking water quality annually and provide clean and adequate sanitation facilities for all employees. Our ongoing efforts to improve our WASH program include standardizing our approach across all regions and focusing on the areas with the highest risk of WASH issues. We encourage every colleague to feel empowered and supported to seek help when needed.

As part of our 2025 Sustainability Goals, we are working to provide our employees with access to safe drinking water and sanitation at home and during natural disasters. We are building capacity to better understand our employees' WASH situation outside the workplace in a way that respects their privacy.

External recognition by the Royal Society for the Prevention of Accidents (RoSPA)

In 2024, 40 sites were recognized with 42 awards by the Royal Society for the Prevention of Accidents (RoSPA), underlining our commitment and efforts to uphold high health and safety standards in 2023: 22 Gold, 17 Silver, 1 Bronze, 1 Most Improved Entry - International, and 1 Health and Safety Beyond the Workplace.



22 Gold | 17 Silver | 1 Bronze

RoSPA, the longest-running health and safety award scheme in the United Kingdom, spotlights organizations that are leaders in fostering safer, healthier workplaces. Earning a RoSPA Award not only recognizes an organization's accomplishments but also places them within a legacy that values dedication to high safety standards, individual well-being, and a commitment to excellence. Their criteria encompass a comprehensive assessment of health and safety management systems, leadership, employee engagement, risk assessment, and continuous improvement initiatives. Annually, nearly 2,000 entrants from 50 countries vie to receive one of these globally recognized awards.

The organization also provides information, education, and advice to individuals, communities, and organizations to reduce the risk of accidents and injuries.

Contractor safety management

In addition to our own employees, contractors who are not directly employed by Xylem also work at our sites. Our Contractor Safety Management Policy outlines the required standard for contractor safety management and communicates our expectations for compliance with our high EHS standards.

In 2023, legacy Xylem's TRIR for contractors was 0.94. We strive to continuously reduce the risk of contractor safety incidents and improve the safety performance of high-risk contractors through a thorough selection process, health and safety training, clear EHS plans and safe work procedures, regular audit process and performance evaluations, and two-way feedback.

We strive to create a safe working environment and expect the same from our suppliers, as set out in our Business Partner Code of Conduct. Among other things, our contractors must demonstrate compliance with all applicable health and safety laws and regulations and take proactive measures to prevent health and safety incidents.

Responsible sourcing

Responsible and ethical business conduct includes those that we do business with across our supply chain. To drive a safe and healthy work environment, fair labor practices, and an increased commitment to sustainability, we continue to expand and develop our partnerships with our more than 12,000 suppliers. We expect them all to uphold the principles set out in our Business Partner Code of Conduct to conduct our own business ethically and responsibly and to create long-term sustainable value for our customers.

Business Partner Code of Conduct

Xylem's Business Partner Code of Conduct provides existing and new suppliers with a clear understanding of our expectations for business integrity, social and environmental responsibility, and a framework for improving their sustainability programs. It is included in our standard procurement terms and conditions and applies to all global suppliers. Additionally, we expect our suppliers to request the same standards of their suppliers.

In early 2024, we updated our Business Partner Code of Conduct to reflect increasing regulations around environmental protection, human rights, and labor practices and to consolidate the legacy Xylem and Evoqua Business Partner and Supplier Codes of Conducts. It now includes more explicit language regarding social and environmental expectations and encourages our supplier partners to submit suggestions through Xylem's Integrity Line for programs that they believe could increase safety and efficiency and reduce our carbon emissions, waste, or costs.

We continue to train our global procurement teams on the actions needed to further embed sustainability and compliance in our procurement processes.

Supplier audits and risk management

Supply chain risk management program

Over the past four years, we have established a comprehensive and scalable supply chain risk management program. This program focuses on identifying and quantifying supplier risk and establishing mitigation management approaches that reduce the overall exposure from identified areas of concern.

The program aims to identify potential issues early, model the impact and likelihood of a supply partner's failure, analyze potential mitigation strategies, and implement preventive risk actions. It prioritizes analysis of vendors and geographies with higher risk potential. Additionally, market-specific risks are generally addressed in our category strategies.

Sustainability assessments of our suppliers

We use EcoVadis and comparable sustainability assessments to evaluate our suppliers' performance in the areas of labor practices, human rights, environmental protection, ethics, and sustainable procurement. These assessments enable us to identify both risks and opportunities and help our suppliers track and improve their sustainability performance year over year.

The EcoVadis assessment platform and its risk management tool IQ have enabled us to assess high-risk suppliers, industries, and regions. By the end of 2023, 43.4% of legacy Xylem's global supplier base by spend had completed an EcoVadis assessment and had an active scorecard. We have added existing legacy Evoqua suppliers to the EcoVadis platform and will continue to expand our supplier spend coverage. We review the scorecards with our suppliers and work together on corrective action from suppliers that fell below our expectations.

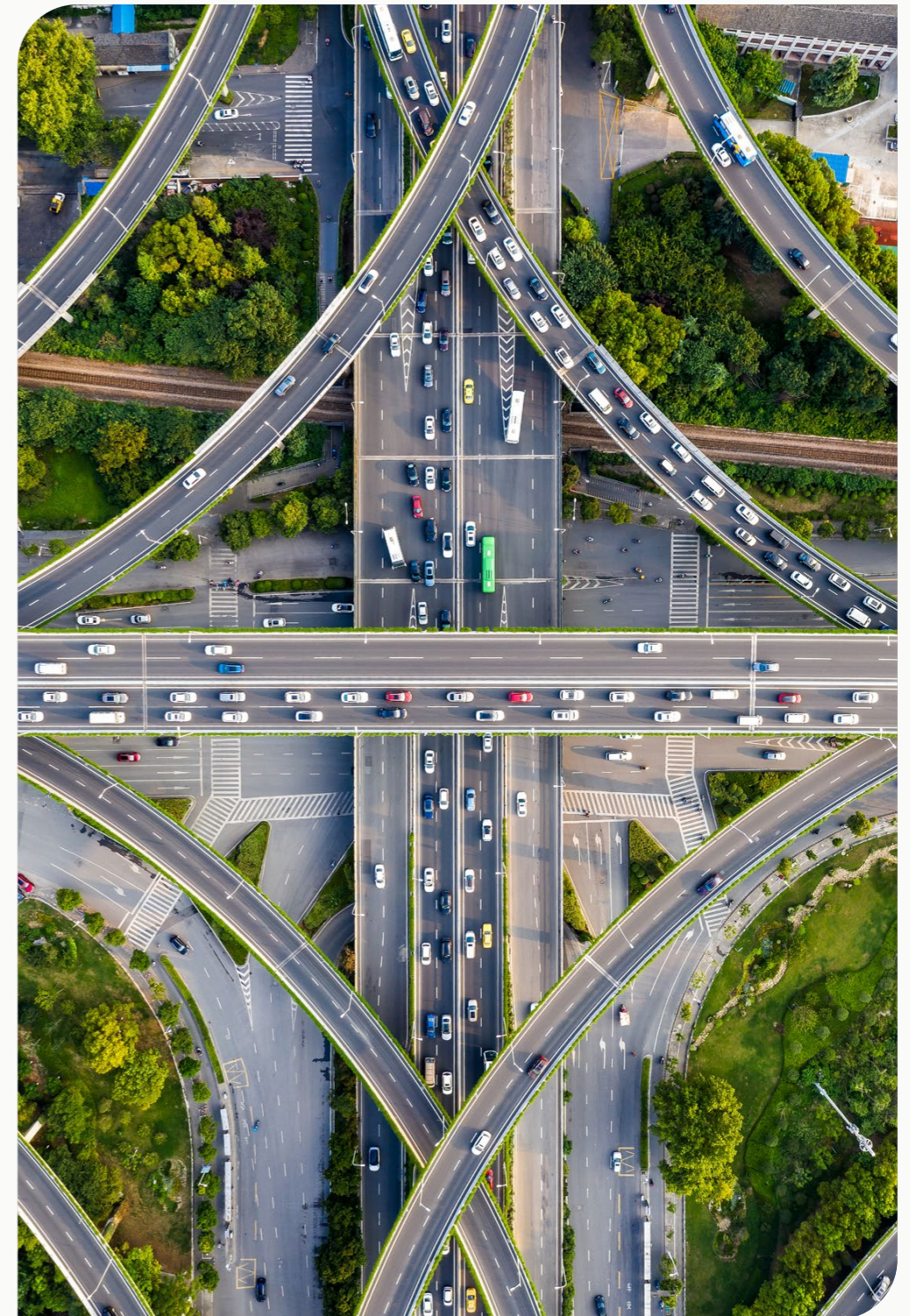
At the end of 2023, 61% of reassessed suppliers had improved their score; 21% remained unchanged. The average rating of our suppliers is higher than the average rating of the EcoVadis network and has continued to improve since 2020.

>43%

of legacy Xylem's global supplier base by spend completed EcoVadis assessments

61%

of assessed supplier improved their EcoVadis score



Supplier assessment framework

To identify, assess, manage, and mitigate potential risk to our supply chain, we follow our supplier assessment framework:



Supplier on-site audits

Quality audits

Our dedicated Supplier Quality team defines supplier quality system risks. Over the past three years, they have conducted over 500 on-site audits of suppliers and identified more than 2,000 findings. Remediation in response to these findings has reduced risks within our supply chain and further developed the quality capabilities of our suppliers. Actions from the audits are tracked as part of the suppliers' overall performance.

Sustainability audits

We continue to see improvements from our suppliers year over year, but we also know how important it is to be able to act quickly, and in some cases, in-person. To support the Supplier Quality team, we also work with an external partner to conduct and remediate critical audits. In 2023, we launched pilot projects for our on-site sustainability audits that will allow for timely remediation and audit completion to improve our suppliers' sustainability performance and reduce environmental and social risks in their operations and supply chains.

Conflict minerals management

We continue to work diligently to comply with the U.S. Securities and Exchange Commission's (SEC) requirements regarding the purchase of products and components that may contain conflict minerals. The objective of our annual conflict minerals review is to increase the transparency of our own sourcing, educate our supply chain on how to avoid sourcing conflict minerals, and encourage suppliers to implement their own responsible sourcing programs. As part of our 2023 campaign, we merged legacy Evoqua's supplier base with legacy Xylem's to create a consistent and compliant process across the combined company.

Conflict Minerals Policy Statement

As a manufacturer of heavy industrial goods, we use tin, tungsten, tantalum, and gold (3TG) in many of our products. For example, we purchase seals that contain tungsten and electronics that contain tin and gold. We support the aims and objectives of the SEC's rules and regulations related to the supply of conflict minerals, which is detailed in our [Conflict Minerals Policy Statement](#).

Engaging our suppliers on sustainability

Embedding sustainability into our sourcing strategies

In 2023, we further developed our category-specific sourcing strategies by embedding sustainability and diversity parameters. For example, we piloted a project in our Enterprise Procurement consolidation tool in which sustainability criteria were integrated into the process of requesting a quote from suppliers. These sustainability criteria were formally included in all supplier quote templates at the beginning of 2023. We also integrated sustainability criteria into business and contract awarding, including a new addendum sent to suppliers with new contracts.

Launching a new supplier relationship management program

In 2023, we launched our Supplier Relationship Management program (SRM), which incorporates sustainability into the regular reviews we hold with our suppliers. The program aims to shift a performance-focused model to a value-creation model and to improve the overall supplier experience with Xylem, making us a partner of choice for our suppliers.

To develop our new SRM program, we reviewed our preferred supplier program and defined our desired future state. Using benchmarking studies and practical application solutions, we developed a new approach to supplier engagement. This has created more value for our facilities, our procurement teams, and, importantly, our suppliers.

To support our focus on Accelerating Water Stewardship in 2024 and beyond, we will seek to enable our suppliers to reduce their water intensity by identifying the largest water users in our supply chain and working with them to reduce their water footprint through our product and service offerings.

Key engagement programs



Supplier diversity program

We are committed to integrating supplier diversity into Xylem’s strategic sourcing processes and partnering with diverse businesses across the United States. The primary objectives of our U.S. supplier diversity program are to create economic value and growth for our diverse supplier base and to create jobs in their communities, while also increasing competition and fostering innovation.

In 2023, we continued our support for the National Minority Supplier Development Council and other organizations that help companies identify new diverse suppliers. We expanded our Tier 2 supplier program (suppliers of our suppliers), demonstrating the collaborative spirit of like-minded organizations seeking to promote supplier diversity.

In 2023, 10.2% of legacy Xylem’s U.S. spend was with diverse suppliers. Legacy Xylem and legacy Evoqua’s combined spend with diverse suppliers was 8.3% in 2023. We are currently incorporating legacy Evoqua’s supplier base into our program.

>10%

of legacy Xylem’s U.S. supplier base by spend is diverse

>35%

of legacy Xylem’s global supplier base by spend had completed and submitted their CDP climate disclosures

>49%

of legacy Xylem’s global supplier base by spend committed to WASH4Work



CDP Supply Chain program

We continue to leverage the CDP supply chain program to support our suppliers’ efforts to reduce their climate and water impact. As in prior years, we focused on increasing the number of suppliers asked to disclose and improving the accuracy of their disclosure. Calculating GHG emissions, setting reduction targets, and mitigating climate and water risks remain key priorities that we seek to drive forward within our supply chain.

We increased the number of suppliers asked to disclose on Climate through CDP by 33% in 2023 and maintained an above-average CDP disclosure rate of 70%. At the end of the year, suppliers representing more than 35% of legacy Xylem’s global spend had completed and submitted their CDP climate disclosures. We continue to develop our approach to climate disclosure of our supply chain and are taking steps to move from disclosure to impact.

In 2023, we openly communicated to our suppliers why they were selected to disclose on water through CDP alongside climate and saw a 5% increase in the response rate of suppliers asked to disclose on water and a consistent disclosure rate of 50% compared to the previous year. To improve our supplier selection in 2024 and focus on areas that we believe have the greatest potential for impact, we have developed an internal impact model that utilizes CDP’s water-intensive industries, water scarcity data provided by WRI Aqueduct, and other proprietary inputs to create a “Water Impact Score.”



WASH4Work

We continued to emphasize the importance of WASH in our supply chain in 2023. Legacy Xylem has onboarded more than 450 suppliers to the program, increasing our global spend committed to WASH4Work by over 49%.

It is essential that all suppliers commit to basic standard working conditions and provide basic WASH facilities to all employees during working hours. Where our suppliers found gaps in their own operations through WASH4Work’s self-assessment, we supported them in identifying solutions to implement remedial measures.



Volunteering events with suppliers

We have found that volunteering activities with our suppliers, organized through Xylem’s Watermark program, are an effective tool for promoting water education and awareness of global water challenges. In addition, dialogue with suppliers around the WASH4Work pledge has shown that our suppliers see the value of community engagement through programs like Watermark. In 2023, we organized 65 Watermark events with suppliers to deepen our partnerships and make a meaningful impact in their local communities.

Spotlight



Xylem’s 2023 Supplier Conference and Supplier Sustainability Award

In December 2023, Xylem hosted its first in-person supplier conference since 2019. The event highlighted the performance of our suppliers, and we awarded ABB the Xylem Supplier Sustainability Award during the opening ceremony.

In connection with this conference, we hosted a Watermark event where attendees assembled over 400 hygiene kits donated through Clean the World, an organization that addresses global health issues by using discarded hotel hygiene products. Each kit contained several toiletries and a handwritten note from the person who packed the kit.

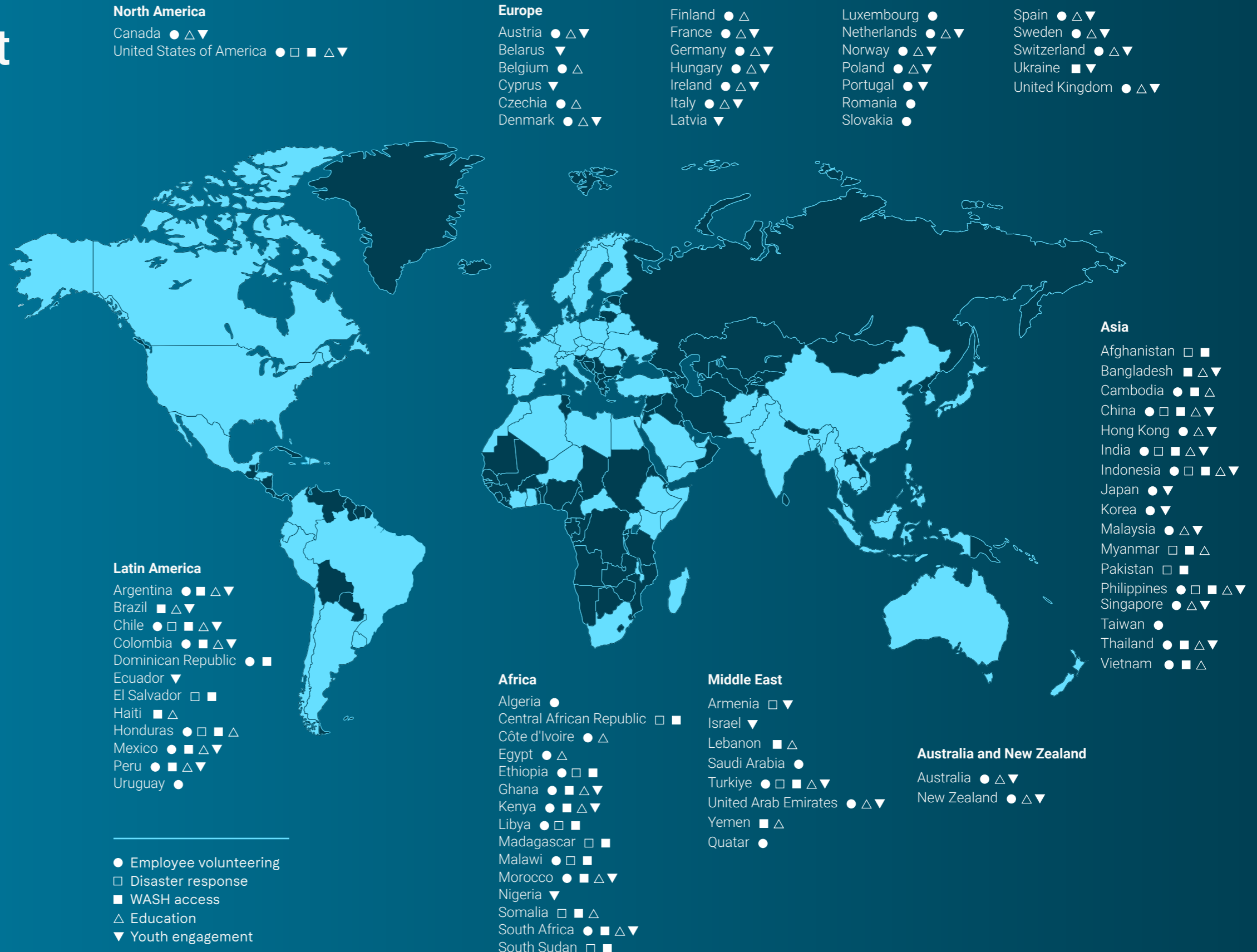
Community impact

Through our global corporate social responsibility program, Xylem Watermark, we work with non-profit partners, to provide education and equitable access to clean water and sanitation to support healthy living and build resilient communities.

We encourage our employees, customers, supply chain partners and other business partners to volunteer their time and donate money to support projects that advance our mission.

In 2023, legacy Xylem employees in 56 countries volunteered more than **184,000 hours**, a record **89% participation rate**, with 2,000 employees volunteering at least 1% of their time (20 hours or more). Colleagues participated in skills-based volunteering initiatives, designed and implemented WASH solutions for underserved communities, and built capacity through training and mentoring.

This year, we reached **3.8 million people with WASH solutions and more than 3.3 million people with water education and awareness initiatives for more sustainable water use. We engaged with more than 10,000 students worldwide through our youth programs.** Together with our global non-profit partners, **we provided humanitarian aid in response to 30 disasters**, including the pro-bono provision of emergency water treatment and dewatering solutions in response to crises in Morocco, Chile, China, Turkey, the Philippines, and Libya.





Xylem Watermark

Our impact continues to grow as our employees and partners volunteer, using their passion, unique expertise, and diverse skills to support our global network of non-profit partners. The continued growth of our employee and stakeholder engagement program is attributed to:

- Our network of more than 400 passionate employees serving as Watermark Champions, Leads, and Ambassadors provides in-person virtual, individual, and skills-based volunteer opportunities for fellow employees and partners around the world. [Meet our Watermark Champion and volunteer Carolina Casserly and read about how she found the missing piece in her career by giving back.](#)
- Our four [signature events](#) throughout the year, where employees participate in thematic focus areas through volunteer activities and financial contributions. For example, during our 2023 November Month of Action, we presented the third edition of our [AQUATON for the Water of Latin America](#), where over 1,900 people from 50 countries raised money by tracking the kilometers they ran, walked, or biked. Watermark then donated \$1 for each kilometer up to \$100,000, which was donated to 10 projects run by local non-profit organizations that provide access to safe water in seven countries.
- Our skills-based volunteer efforts, which allow employees from around the world to apply their expertise in WASH projects in under-resourced communities. For example, in 2023 Xylem employees contributed their skills to [Engineers Without Borders](#) projects in Malawi, Uganda, and the United States that benefitted 61,400 people with improved water access, and built the capacity of the local community through training and knowledge transfer.
- Our Community Grants and Matching program, which encourages employees and external partners to engage with local non-profit organizations for projects that are important to them. For example, colleagues in Charlotte, North Carolina, supported the [2023 Catawba Riversweep](#), a mega plogging event organized by [Catawba Riverkeeper](#), removing 47,000 pounds of trash from the Catawba-Wateree River Basin.

events were integrated into the Watermark program. Legacy Evoqua employees are joining the MyWatermark volunteer platform, where they can now find information on upcoming volunteering activities, how to have their eligible donations matched, and how to record their volunteering hours.

Engaging our value chain

We invite our channel partners, suppliers, and customers to support our various Watermark initiatives, as we seek to engage 100,000 external stakeholders by 2025. This collaboration expands our reach while strengthening our relationships with key stakeholders as we find ways to complement each other with our expertise and resources.

2023 highlights:

- We organized 65 Watermark events with suppliers. For example, together with our supply chain partner FLEX, employees made improvements to a kindergarten playground in Hungary by laying a grass carpet and rubber flooring, painting the playground, and planting flowers. We also collected donations for an [AquaBlock water filtration system](#) and built hygiene kits during our first in-person supplier conference since 2019 (see p. 55).
- In April, we held our first Watermark Channel Partner Week in North America, where we invited our channel partners to join us in volunteering. 580 people from 40 channel partners volunteered by cleaning waterways, assembling hygiene kits, and helping to enhance map data for humanitarian response efforts.
- In the United States, our Channel partners joined us in our efforts to provide clean water to communities, homes, and schools through the [Hometown H2O program](#) with the [Chris Long Foundation](#) and [Water Well Trust](#).
- In Europe, our customers who participate in the Waterdrop program earn points by contributing to volunteer projects and are able to translate those points into water access projects around the world. In 2023, a team of 30 Xylem customers, partners, and employees travelled to Cambodia to build AquaTowers in rural villages in Siem Reap province with [Planet Water Foundation](#). Since 2015, 80 Xylem Europe customers have participated in this program, building 25 AquaTowers, each of which serve 1,800 people daily.



In 2023, Watermark gained nearly 5,000 new volunteers through the combination with Evoqua. We have started onboarding Evoqua's existing volunteer network, and existing programs and

Spotlight



An interview with Kayleigh Moran, who has been a Sales Process Specialist within legacy Evoqua since 2016 and now works in Xylem's Municipal Services division, has recently taken on the volunteer leadership role of Watermark Integration Ambassador.

Kayleigh joins a team of four other Watermark Ambassadors, each of whom are responsible for a geographic region or business segment. In her role, Kayleigh is responsible for integrating colleagues from the legacy Evoqua business.

Q: Kayleigh, what does it mean to be a Watermark Ambassador, and what led you to take on this role?

Kayleigh: From the outset, Watermark captivated my interest with its well-structured program that encourages everyone to get involved. Accepting the position of Watermark Integration Ambassador felt like a natural fit for me. It enables me to leverage my sales background while pursuing my passion for community impact. I saw it as an opportunity to inspire my colleagues to join me in making a meaningful difference locally and beyond.

My role entails reaching out to all legacy Evoqua locations, introducing them to Watermark, and encouraging their active involvement. Supported by a team of dedicated Watermark Champions, we are already seeing significant strides in hosting events, driving engagement, and spreading awareness to broader audiences.

Q: How does the role of a Watermark Ambassador differ from that of Watermark Champions?

Kayleigh: Watermark Champions are Xylem volunteers who play a pivotal role in organizing activities and events at a local level with non-profit organizations and schools. They're the driving force behind initiatives such as youth engagement and water education, fostering connections with colleagues, vendors, and stakeholders while representing Xylem out in the community. As the Watermark Integration Ambassador, I support and guide our champions, and view myself as a bridge to connect our legacy Evoqua colleagues with their local Champions and the broader global program.

We are all united by the shared objective of achieving widespread engagement, irrespective of our organizational backgrounds.

Q: How do you motivate legacy Evoqua colleagues to participate in Watermark?

Kayleigh: Many of our legacy Evoqua locations and employees were already involved in similar activities prior to the integration. For them, it's about sustaining that momentum by providing the necessary resources and guidance to effectively participate in Watermark. We're also exploring avenues for remote employees to engage through virtual events, ensuring inclusivity across various geographic locations.

It is essential to ignite enthusiasm among our legacy Evoqua colleagues for Watermark, not only to meet our 2025 Community Sustainability Goals but also to extend our impact to even broader communities. Additionally, integrating Evoqua colleagues into the Watermark program fosters a sense of unity within Xylem, emphasizing the importance of building relationships in an engaging and enjoyable manner.

“Accepting the position of Watermark Integration Ambassador felt like a natural fit for me. It enables me to leverage my sales background while pursuing my passion for community impact.”



WASH access

The world is facing unprecedented water scarcity crises, affecting approximately 1.42 billion people, including 450 million children living in areas with high water vulnerability⁴⁵. People in these areas often do not have access to safe and affordable drinking water services, a challenge exacerbated by the impact of climate change, such as droughts, floods, and rising sea levels. While these issues can be alleviated with improved infrastructure, many communities are currently unable to withstand the effects of climate change on water services. Addressing these challenges requires collaborative efforts to bolster infrastructure resilience and strive for equitable access to reliable water services for all.

Access to safe water and sanitation improves health outcomes and enhances opportunities for education and economic advancement, ultimately breaking the cycle of poverty. Xylem Watermark and our partners prioritize climate-resilience initiatives aimed at providing WASH access, thereby mitigating related impacts of climate change.



★ 2023 highlights:

- In collaboration with the non-profit organization Mercy Corps, we initiated a project at Al Fao District Hospital and Renal Center in Sudan to rehabilitate and construct WASH facilities. In Sudan, ongoing conflict, floods, droughts, and displacement have led to 15 million people in need of WASH assistance and placed a tremendous strain on healthcare providers.

This intervention will impact more than 330,000 patients and staff annually and will especially benefit kidney dialysis patients who rely on safe water for their treatment at the Renal Center. This project was particularly significant as it was identified by Xylem employees with family ties to Sudan, allowing us to make a positive impact in communities where our employees have personal connections.

- In collaboration with our non-profit partner Americares and the local organization Aqueducts, we delivered clean water from Kramatorsk to several remote villages in Donetsk Oblast, Ukraine, including Siversk and Toretsk, which have been severely affected by the Russian invasion. Subsequently, our efforts were extended to encompass other vulnerable communities in Dnipropetrovsk and Zaporizhia Oblasts.

While our primary objective was to facilitate access to safe drinking water for all those in need, particular emphasis was placed on supporting elderly individuals and people with limited mobility, who comprised the majority of citizens left behind following the invasion and subsequent evacuation of these frontline settlements.

- Also in collaboration with our partner Americares, we expanded a program targeting flood-prone areas in low-lying municipalities of Luzon, the main island of the Philippines. This initiative, developed over the past four years, seeks to enhance access to water and mitigates the risk of waterborne diseases. This most recent effort involved rehabilitating or reconstructing community water supply systems, building the capacity of local authorities and community leaders, and bolstering emergency response preparedness by pre-positioning critical WASH items like water containers and disinfection powder.

Local Xylem volunteers actively supported the project through community-based activities, including handwashing demonstrations in schools and tree planting campaigns to raise awareness about the importance of water resource management and environmental protection.

3.8M

people reached with WASH solutions

WASH access in the United States

While the need for improved water and sanitation services is most acute in developing regions of the world, it extends beyond these localities. For instance, it is estimated that in the United States alone, 2.2 million people lack access to safe drinking water and sanitation⁴⁶. In response, our Reservoir Center and partnerships in the U.S. have focused on investing in platforms to address water infrastructure challenges and enhance services in under-resourced communities.

Our efforts include participation in the U.S. WASH collective, or Vessel Collective, and endorsing its principles, collaborating with organizations that assist under-resourced communities in accessing funding allocated through federal infrastructure investments, and working with policymakers in Washington D.C. to advocate for water infrastructure investments and policy reforms.

★ 2023 highlight:

- We published our [Solving Water in Rural America report](#), highlighting the increasing challenges rural communities in the United States face due to limited water access and poor water quality. It presents the full scope of the rural water crisis, outlining the contributing regional, regulatory, and environmental factors that have advanced these water challenges, as well as the tangible steps individuals, government bodies, and organizations can take to address this crisis.

⁴⁵ [UNICEF – Water security for all: Proposal for action](#)

⁴⁶ [DIG DEEP: Closing the water access gap in the United States – A national action plan](#)

Spotlight



Inspired to innovate – Our people creating impact

In 2023, Dr. Lindsay Birt, Client Solutions Manager, was selected to participate in the Aspen Institute First Movers Fellows program. The program tasks participants with applying innovative solutions to complex business challenges that also hold potential for creating social value.

Leveraging her expertise in Xylem’s digital solutions, Lindsay focused on addressing equity challenges in water and sanitation services in the United States. Combining her knowledge with a commitment to social equity, Lindsay designed models for how Xylem can appropriately apply digital solutions to underserved rural and small utilities across the United States. These models seek to provide these utilities with valuable data and solutions to enhance their service delivery network.

Water awareness and education

For any water solution to be effectively implemented and sustained, it is essential that the community values clean, safe water, takes ownership of the project, and receives adequate training to utilize and maintain the solution. Through working with our partners, we mobilize communities to take action and empower people to adopt responsible water, sanitation, and hygiene practices.

In 2023, we reached 3.3 million people with targeted water education initiatives. Our progress toward our 2025 water education and awareness goals is driven by several key initiatives:

- Investing continually in long-term partnerships with global organizations such as UNICEF.
- Encouraging our employees to volunteer as educators and facilitating opportunities for them to connect with students of all ages.
- Leveraging our long-term partnership with Manchester City Football Club and their influential sportsmen and women, to spread important water-related messages to diverse audiences worldwide.

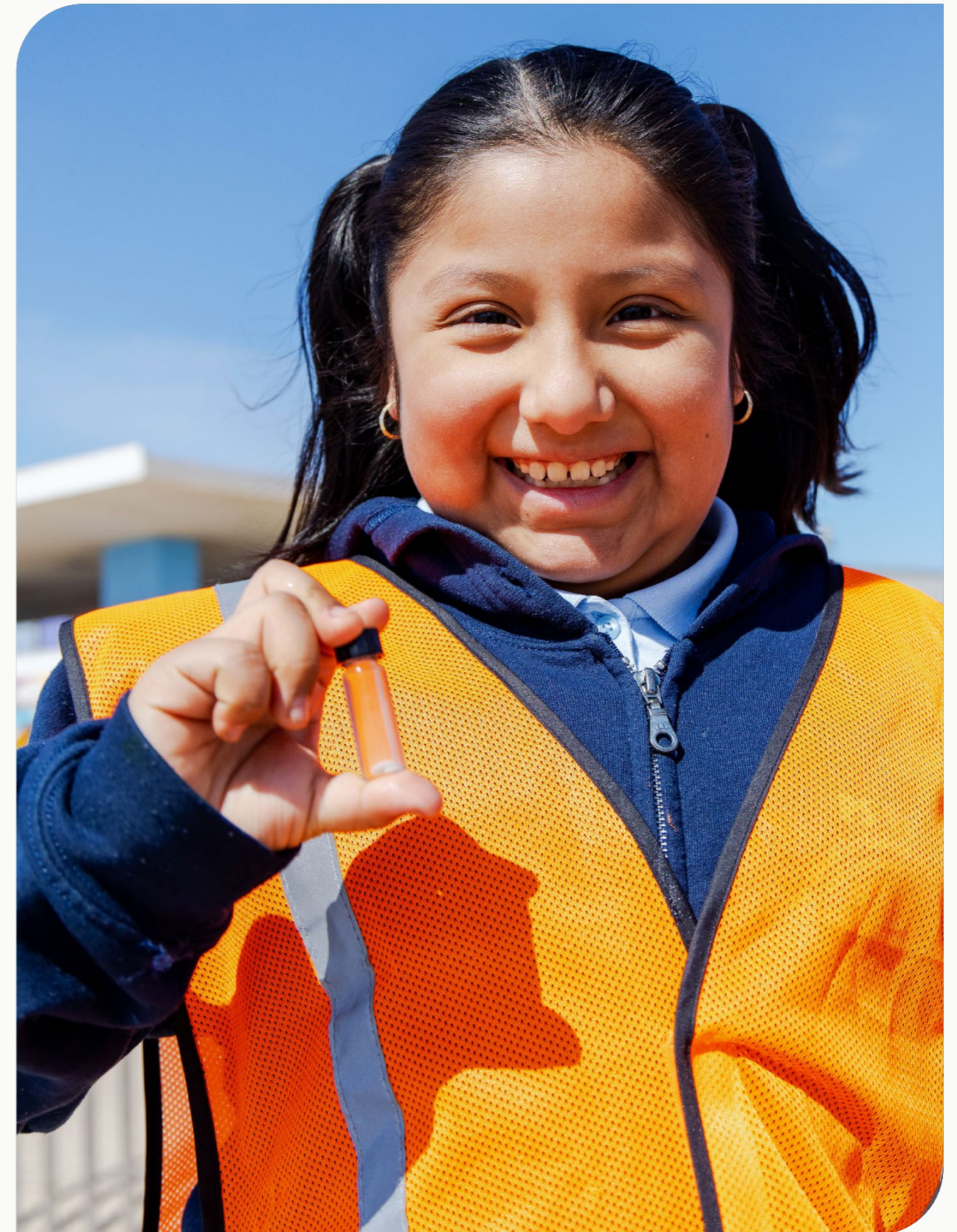
Our efforts to educate, inspire, and empower individuals underscore our unwavering commitment to address global water challenges comprehensively. Together, the global community can make a significant impact in securing a sustainable water future for all.

2023 highlights:

- We completed our third year of partnership with UNICEF India, reaching a total of 3.3 million children in India's most vulnerable communities with WASH education and access initiatives, with a focus on strengthening WASH protocols in schools and preschools over three years.
- In collaboration with our partner Manchester City Football Club, we introduced football and safe water training modules, which blend coaching sessions with crucial messages on WASH. Developed in conjunction with Young Leaders from a joint program with the City Football Foundation, across a global network of 10 projects

addressing water challenges in underserved communities, these sessions helped amplify the reach of vital water education. Featuring players from both the men's and women's teams, six video tutorials explained the delivery of the sessions to young people around the world.

- We joined forces with Georgia Aquarium, North America's largest aquarium located in Atlanta, creating the Clean Water Challenge game, which launched in fall 2023. This interactive electronic game, situated within the aquarium's Ocean Voyager exhibit allows visitors to virtually rescue marine life by mastering filtration techniques and other water treatments. Through the engaging experience, visitors learn how to foster a pristine and thriving ocean environment.



Youth engagement

To empower the next generation to address our critical water challenges, providing them with the knowledge, tools, and platforms necessary to develop and implement innovative solutions is essential. Through our comprehensive youth-focused programs, we foster the growth of young talent through mentorship, skills development, and opportunities for innovation, support youth-led water initiatives within communities, and elevate youth representation in leadership roles.

In 2023, we engaged over 10,000 students in our youth programming.

Fostering youth talent and innovation

Our global youth innovation program, Xylem Ignite, provides students age 13 and up with events, ongoing programs, and mentorship to help them develop their skills and empower them to take action to solve water in their community. Our programming seeks to give students the awareness and experience to enter the water workforce in the future.

In 2023, innovation-focused youth programming included two six-month Student Incubator Program cohorts and 10 regional hackathons. Additionally:

- The Xylem Global Student Innovation Challenge attracted over 1,000 students from 78 countries to analyze the water impact of green hydrogen, move from awareness to action on water issues, prevent waterway pollution using data science, and consider the water-energy-emissions nexus in buildings. Winners received a share of a \$20,000 prize and entered Xylem's Ignite Innovation Incubator program, supporting them in scaling their solutions. Read more about the challenge and the 2023 winners [here](#).
- As a founding sponsor, we supported the Stockholm Junior Water Prize, the leading water innovation competition for students aged 15 to 20. In 2023, [Naomi Park from the United States](#) was awarded for her research on removing carbon dioxide and oil products from the ocean. The award was presented by Her Royal Highness Crown Princess Victoria of Sweden during World Water Week in Stockholm.

- In collaboration with Northumbrian Water, we sponsored and coordinated a hackathon focused on mapping carbon emissions from water utility suppliers to help them achieve their net-zero emission targets by 2050. This initiative attracted over 2,500 participants from 700 global organizations to join forces with local schoolchildren. The winning team, Phloem, developed a sample dashboard to measure supplier excellence and incentivize carbon accounting.

Supporting youth-led water initiatives

- We partnered with Manchester City Football Club's Foundation program for the [2023 Water Heroes Academy](#). This initiative empowers Young Leaders to address water challenges in their communities, leveraging the influence of football to provide education on WASH. Five water projects led by Young Leaders in various cities participated, with Nairobi being named the winning project for 2023. Since its launch in 2021, the Water Heroes Academy has engaged more than 300 Young Leaders and delivered vital water and football-related education to more than 15,000 young people in fifteen cities.

- In collaboration with EarthEcho International, we engaged young community scientists aged 14 to 22 in water monitoring as part of [EarthEcho's Water Challenge](#). Over 30,000 community scientists contributed vital data to a global water monitoring database, learning about watershed management and community impact.⁴⁷
- We also elevated youth representation in leadership roles through programs such as the [Water Environment Federation's InFLOW program](#), mentorship and sponsorship programs, external partnerships with organizations like the [National Society of Black Engineers](#), and our employee network groups such as the Emerging Leaders Network. Read more about our efforts in Our people section of this report starting on p. 40.

>10,000
students engaged in youth programming



⁴⁷ EarthEcho's global water monitoring data base



Humanitarian disaster response

Access to safe WASH resources in the aftermath of a disaster saves lives, as does technology that safely transports water to make affected communities accessible to humanitarian workers. It is also important that resources are directed at making vulnerable communities more resilient in the long term to reduce the risk of future disasters.

We are committed to mitigating the profound social and economic impacts that natural disasters have on communities and providing sustainable relief to those most vulnerable. With a global network of experienced employees and partners, we use our distinctive expertise and resources to respond quickly to communities in peril, often in regions where our own employees live and work.

In 2023 alone, we provided humanitarian aid in 30 disaster-stricken areas across 26 countries, while mobilizing disaster preparedness initiatives among our employees, partners, and in the communities we serve.

Our humanitarian aid efforts included:

- Deploying in-kind technology, such as pumping and treatment solutions that treat contaminated water.
- Mobilizing community-led volunteer initiatives involving our employees and partners, including the collection and donation of critical supplies, active participation in rebuilding effort, and more.
- Extending support through grants and matching fundraisers for NGO partners engaged in response efforts, such as the distribution of supplies and infrastructure repairs.

Our focus on disaster preparedness and mitigation included:

- Empowering our employees with essential knowledge and resources through webinars and interactive activities aimed at assembling disaster preparedness kits.
- Supporting global virtual initiatives, such as MapSwipe, to map remote, disaster-prone areas, facilitating efficient humanitarian aid delivery.

- Funding preparedness and resilience efforts in collaboration with non-profit partners like Mercy Corps.
- Establishing standardized response protocols with support from volunteer leaders in regions where we operate.

2023 highlights:

- In the aftermath of the magnitude 6.8 earthquake that struck the El-Haouz region in Morocco in September 2023, our global disaster response team collaborated with Planet Water Foundation and local non-profit organizations, donors, authorities, and water boards to commission six AquaBlock emergency water filtration systems, which produced clean water for up to 60,000 people in relocation camps and damaged communities.
- When Chile experienced the heaviest rainfall recorded in the last 30 years, causing deadly floods in the summer of 2023, we donated an AquaBlock and supported the local community with set-up and training on its use and maintenance.
- In collaboration with our non-profit partner Mercy Corps, we provided access to clean water and sanitation as well as WASH education to more than 5,300 people in the aftermath of cyclone Mocha in Myanmar throughout the summer of 2023.

Read more about our humanitarian disaster response efforts [here](#).

30
disaster areas provided with humanitarian aid

Spotlight

Xylem Watermark's rapid response brings clean water to Türkiye's earthquake-affected communities

In 2023, approximately 185 million individuals were impacted by natural disasters that wreaked havoc on communities worldwide. In the wake of such crises, the rapid restoration of clean water is paramount for safeguarding public health.

Xylem Watermark's disaster response partnerships have played a pivotal role in delivering life-changing clean water and sanitation to countless people. Over the past four years, our humanitarian aid efforts extended to 92 areas, including Southeast Turkey, where our local team and partners sprang into action following the devastating 7.8 magnitude earthquake in February 2023. The earthquake destroyed thousands of homes and businesses in an area the size of England, killing over 50,000 people. The vast geographic area, coupled with sub-zero temperatures, presented significant challenges to the aid efforts.

Despite our office and manufacturing site being located 1,000 kilometers away from the earthquake zone, we were relieved to confirm the safety of all our local employees. They swiftly mobilized aid efforts on day one, dispatching essential items typically destined for local schools and children, such as clothing, to the earthquake-affected regions with the help of Türkiye Red Crescent.

Recognizing that the lack of access to clean water quickly escalates into a public health crisis, our next imperative was to leverage our water expertise. Drawing upon partnerships with non-profit organizations like Planet Water Foundation, local emergency response agencies, and other corporate partners who sponsored AquaBlocks, we were able to orchestrate the deployment of AquaBlock water filtration systems to address acute shortages of safe drinking water. The 16 AquaBlocks that were deployed provided a lifeline to over 160,000 individuals in need.

However, our commitment goes beyond the initial emergency phase as we continue to aid Turkey's long-term reconstruction and recovery efforts by supporting damaged infrastructure rehabilitation and bolstering water supply systems with our suite of solutions.

16
Aquablocks

>160,000
people in need reached



Responsible business conduct

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Ethics and compliance

Xylem’s global ethics and compliance program helps us promote and uphold our values, comply with the law, and conduct business with integrity. It is based on best practices and is designed to prevent, detect, and respond to misconduct and maintain Xylem’s reputation as a trusted and respected leader in the water industry.

We do not tolerate workplace misconduct or any form of bribery or corruption wherever we do business around the world, and we expect our business partners to model our ethical business practices.

To continuously enhance our ethics and compliance program, our team regularly reviews current regulations as well as data from the Xylem Integrity Line, our due diligence platform, employee feedback and the results of audits and risk assessments. Company policies are regularly reviewed, updated, and communicated, and ethics and compliance-related training is conducted annually, with many of our training modules requiring colleagues to certify that they will comply with our policies.

Our Chief Ethics and Compliance Officer (CECO) has overall oversight responsibility for our global ethics and compliance program and is responsible for meeting all necessary legal and regulatory requirements. The CECO updates the relevant committees of our Board of Directors at least once a year to discuss our program and meets with the Ethics and Compliance Review Boards (ECRBs) at corporate and regional level at least quarterly. Together with the four ECRBs (headquarters and three regional boards for the Americas, Emerging Markets and Europe), the CECO oversees and promotes the program and sets the tone for ethics and compliance at Xylem. The ECRBs are comprised of cross-functional leaders and others who assist the CECO in managing the program.

The approximately 100 colleagues in our global Integrity Ambassador Network serve as direct liaisons to support the company’s ethics and compliance program. They are trained to confidentially receive questions and reports from employees on ethics and compliance matters and serve as local, trusted resources.

Code of Conduct

Our [Code of Conduct](#) unites us as a company governed by the same ethical principles. These principles guide us to make decisions that align with our core values, helps us create an inclusive, equitable workplace, demonstrate our commitment to sustainability and reinforce our trusted reputation and sense of purpose. Our Code of Conduct provides guidance to our employees and other stakeholders on when to speak up and outlines expected business conduct such as acting with integrity, abiding by the laws where we do business, maintaining data privacy, avoiding

conflicts of interest, competing fairly, maintaining zero tolerance for bribery, showing workplace respect, and staying safe and healthy.

All employees, directors and officers are responsible for complying with our Code of Conduct, and we expect our business partners to adhere to the same high standards. If local laws and regulations are more stringent than our Code of Conduct, then local laws must be followed.

Employees are required to complete Code of Conduct training upon joining Xylem and annually thereafter. Training is conducted both online and with in-person instructors and alternates between comprehensive and refresher training focused on critical topics. Employees are required to confirm that they understand and will adhere to the Code and our policies. Production employees receive in-person training at least once every two years and receive regular communication on following our Code, our policies, and the importance of reporting misconduct.

Workplace harassment and violence prevention

Xylem’s workplace harassment and violence prevention program is designed to identify, prevent, and mitigate potential harassment- and violence-related problems in the workplace. We regularly train and educate employees on the expectations and actions they must take to maintain a workplace free of harassment and violence, where everyone feels safe and is treated with dignity, decency, and respect. Our employees are trained to identify warning signs of potential harassment and violence and escalate concerns to the Ethics and Compliance Team.

Anti-corruption

Bribery and corruption risks are assessed at least annually by our Ethics and Compliance team. Such risks are closely monitored, and we have processes, policies, and training in place to mitigate them. Our Internal Audit function regularly audits facilities based on assessed risk, to maintain compliance with our policies and applicable laws, such as the

U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act of 2010 and other global anti-corruption laws. In 2023, no material incidents of corruption were identified.

We have adopted an anti-corruption due diligence framework to identify higher risk third parties. As part of our screening process, third parties meeting the framework must confirm alignment with our Code of Conduct and agree to comply with all applicable anti-corruption and anti-bribery laws. Higher risk third parties must complete online anti-corruption training via our due diligence platform. Our due diligence review process is repeated at regular intervals based on a risk ranking algorithm.

We conduct training for our employees on our anti-corruption expectations at least annually and regularly communicate policy and process expectations. As in previous years, in-person anti-corruption compliance training was also conducted for our key commercial partners in 2023.

Antitrust

Xylem’s antitrust program fosters business practices that comply with applicable antitrust and competition laws and regulations by seeking to prevent, manage, and mitigate antitrust and competition law risks. Our policy, guidance and regular training and communication are intended to promote fair competition and protect against unfair and/or illegal restraint on trade.

Conflict of interest

Our Conflict of Interest Policy and Guide apply to all of our directors, officers and employees. They help identify potential conflicts between personal interests and Xylem’s interests that could lead to ethical and legal challenges and jeopardize Xylem’s reputation and integrity. We regularly train and communicate how to recognize and effectively address potential conflicts of interest, mitigate the risks that may arise and protect directors, management, employees, and Xylem.

Training

Xylem regularly communicates and trains on ethics and compliance topics as we seek to maintain the highest level of integrity. Such training materials are regularly reviewed and updated based on internal data such as reports to the Xylem Integrity Line, ethics and compliance trends, company and industry-wide developments and relevant regulations.

Training addresses topics such as our Code of Conduct, raising concerns, preventing harassment, respect in the workplace, anti-corruption and due diligence, antitrust, attorney-client privilege, substance abuse prevention, data privacy and cybersecurity. With our global training initiatives and targeted training for specific functions, we regularly achieve a completion rate of over 95% for our training modules. In 2023, we achieved 98% completion⁴⁸ of our online employee ethics and compliance training, which includes several modules addressing topics such as our Code of Conduct, reporting concerns, avoiding conflicts of interest, complying with our anti-corruption policies and procedures, antitrust compliance, harassment prevention and data privacy. We also delivered approximately 3,600 hours of instructor-led ethics and compliance training to Xylem employees globally in 2023.

In addition to training our own employees, we also provide training to key commercial partners on various topics including anti-corruption and Code of Conduct topics.

98%
completion rate of Code of Conduct training

3,600
hours of instructor-led ethics and compliance training

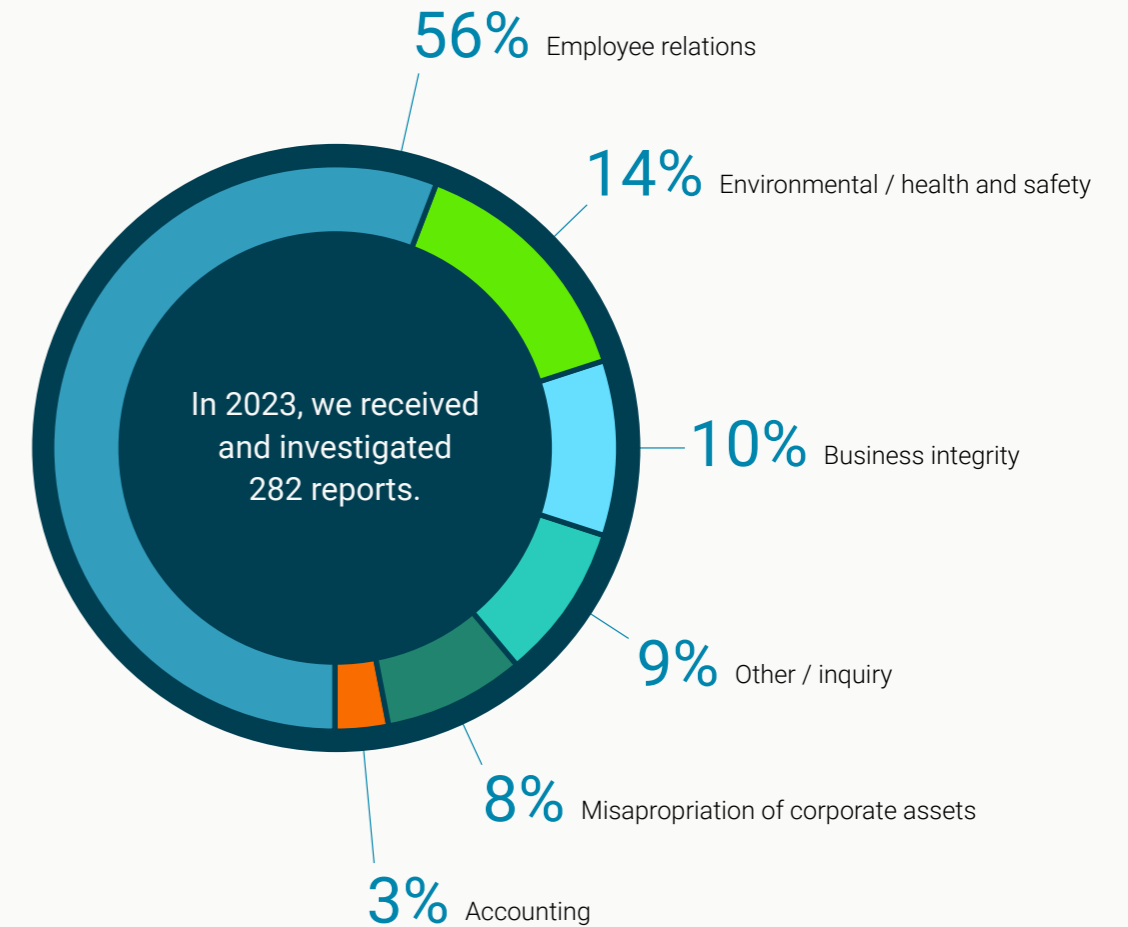
Reporting mechanisms

Xylem’s employees are encouraged and expected to speak up if they have questions or concerns about our Code of Conduct, our policies, and applicable laws, how they apply or whether they are followed. Employee concerns are taken seriously, and we are committed to responding to every report. We proactively communicate the importance of raising concerns through our website, intranet, printed materials, online and instructor-led training and regular communications throughout the year, including employee town halls.

Employees and other stakeholders can raise concerns in several ways:

- **Xylem Integrity Line:** This 24-hour confidential reporting portal is available to all employees, suppliers, and customers. Support is provided in all of Xylem’s key languages. Reports can be made through the website or by phone and can be made anonymously through the same mechanisms.
- **Integrity Ambassador Network:** Globally, around 100 Integrity Ambassadors are trained to confidentially receive employees’ questions and reports relating to ethics and compliance concerns and serve as local, trusted resources to promote ethics and compliance. Integrity Ambassadors are required to take all reasonable and legally permissible steps to protect the identity of all those who report potential violations in good faith.
- **Management, Human Resources, Legal, Internal Audit, and Ethics and Compliance Teams (including the Chief Ethics and Compliance Officer):** Employees are encouraged to raise concerns directly with any of these internal resources.
- **Audit Committee of the Board:** Concerns can be brought directly to this committee, which is independent of management.

2023 Xylem integrity line – issue types received



⁴⁸ The training is only recorded as completed when the employee has completed all modules.

Cybersecurity

Xylem’s Board of Directors recognizes the importance of maintaining the trust and confidence of our customers, suppliers, employees, and shareholders. In line with its broader strategic oversight, the Board oversees cybersecurity, including strategy and processes. The Board and its Audit Committee devote considerable time and attention to oversight of management’s approach to cybersecurity and related risk mitigation, including strategy, controls, resources, policies, standards, processes, and practices.

We have implemented a comprehensive cybersecurity program guided by recognized industry practices and frameworks, and we continue to evolve the program to assess, identify and manage risks from ever-evolving cybersecurity threats. Our cybersecurity program encompasses our enterprise information technology, including operational technology and technology of third parties we rely on, as well as connected products and services. Although we maintain a cybersecurity program that we believe is reasonably designed to protect Xylem, cybersecurity threats may result in adverse effects to the confidentiality, integrity, and availability of our information systems or those of third parties we rely on, and our connected products and services.

Risk management

Our enterprise cybersecurity program is guided by the National Institute of Standards and Technology’s (“NIST”) Cybersecurity Framework. Program responsibilities include governance, risk and compliance, threat analysis and response, security architecture and engineering, security operations, and secure manufacturing operations.

Our connected products and services cybersecurity program is guided by the ISA/IEC 62443 standard to enable protection and resilience across products and services. Program responsibilities include product security, software development, innovation management, threat analysis and incident response.

Both programs are designed to assess, identify, and manage risks from cybersecurity threats to protect and preserve the security, integrity and continued availability of Xylem’s information technology systems and connected products and services, and to protect the confidentiality and integrity of information owned by us or in our custody and care. Elements of the programs include policies, standards, architecture, processes, tools, technology, employee education and training, and incident response. Our Code of Conduct requires employees to comply with all policies and practices, including as respects cyber security risk management.

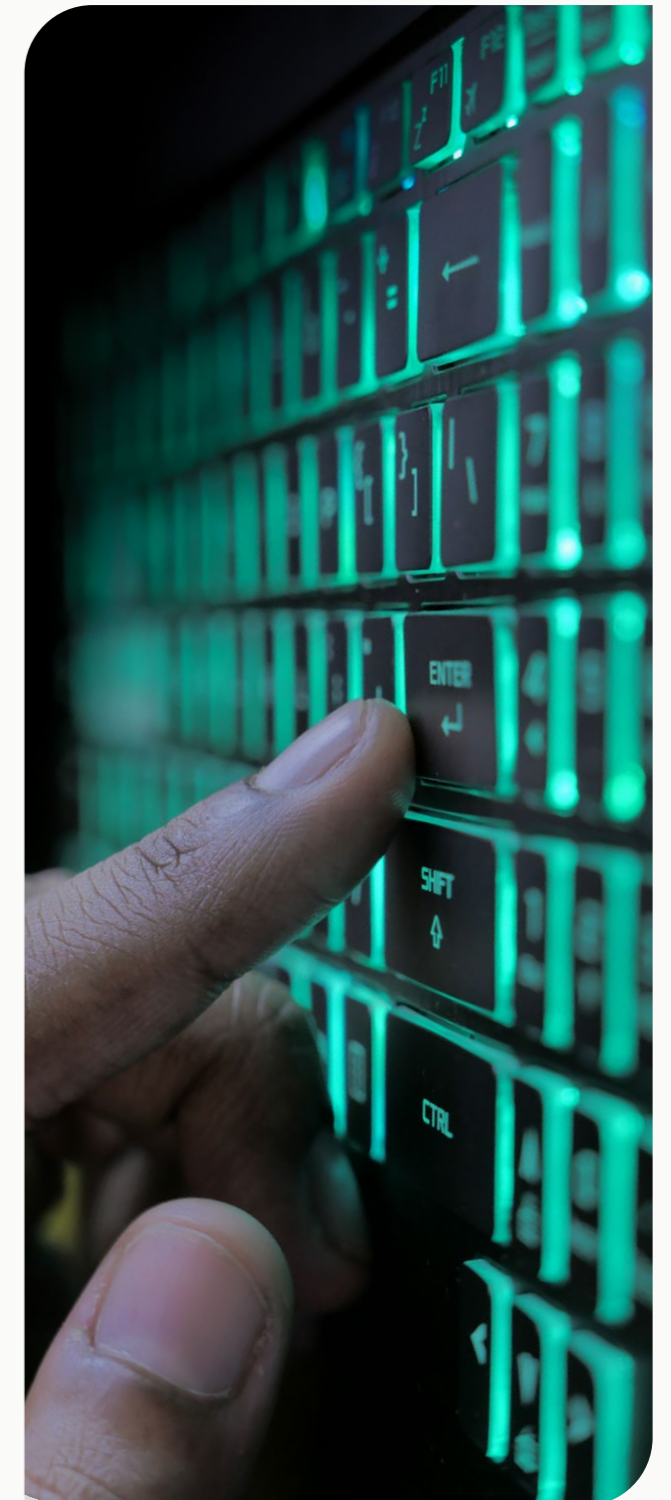
Our enterprise and product security programs are tested regularly, including periodic vulnerability scanning and penetration tests. In addition, we periodically engage third parties to assess our enterprise and product security programs and to advise and assist in the assessment, identification, and management of cybersecurity risks.

Employees receive ongoing annual education and training on relevant cyber security risks and practices, including how to protect information and systems from cyber threats. We also conduct monthly phishing simulations to improve employees’ ability to detect and prevent such threats.

In addition, our policies require the use of a cyber risk management process to onboard new suppliers and other third parties.

Incident response

Our Cybersecurity Incident Response Plan (“IRP”), which generally aligns with NIST’s guidelines, provides management with a standardized framework for responding to an actual or potential cybersecurity threat or incident. It sets out a coordinated approach to investigating, containing, documenting, and mitigating incidents, including reporting findings and keeping senior management and other key stakeholders informed and involved, and specifies the use of third-party experts for legal advice, consulting, and incident response, as appropriate. The IRP undergoes at least annual tabletop exercises, where the Incident Response Team and relevant business functions practice our response to a simulated cyber incident. The results of these exercises are used to identify areas for improvement in our processes and technologies.



Intellectual property

Xylem’s wide range of products and services requires a robust research and development program. Our program’s innovation efforts often lead to the development of new products and services, which may include new proprietary technologies, unique brands, or other intellectual property. We also undertake collaborative research and development efforts with a variety of third parties. Such collaborations may result in intellectual property ownership and commercialization agreements between Xylem and third parties.

We protect intellectual property to prevent its unauthorized use to maintain the competitive advantages it provides us and our customers. Our company-wide Intellectual Property Policy guides the management of intellectual property, including the protection of patents, trade secrets, proprietary technical information, trademarks, service marks, trade names, and copyrights.

It also includes a patent award program. Xylem employee inventors are eligible for patent filing and patent grant bonuses to encourage prompt disclosure of patentable inventions relevant to our business and to assist our Intellectual Property team in obtaining patents and protecting Xylem inventions. If it is determined that an otherwise patentable invention should be maintained as a trade secret instead of applying for a patent, employee inventors are still eligible to receive the equivalent of the patent filing bonus.

Intellectual Property Training for Employees

Xylem employees involved in product research, development, and marketing receive training on intellectual property, including our Intellectual Property Policy, the importance of intellectual property rights in protecting proprietary technologies and brands, and how this protection maintains our competitiveness and the competitiveness of our customers.

At the end of 2023:

Xylem had approximately

4,300 patents

1,400

patent applications

3,300

trademark registrations

175

trademark applications in more than 100 countries



Political engagement

Xylem often engages elected officials, policymakers, trade associations, coalitions, as well as industry and non-profit stakeholders to accelerate progress in addressing global water challenges. A dedicated government affairs team guides our approach to business-critical issues in order to pursue opportunities and mitigate risks posed by new laws and regulations. The team shares information about regulations, government funding and incentives with colleagues across the organization to inform their business strategies.

We work through direct advocacy, engagement and coalition building with like-minded industry stakeholders and non-profit organizations. We are also represented in and advocate with key trade associations that can advance our public policy agenda. We predominately focus our political engagement in the European Union and United States, where we have our most significant business presence. We are gradually expanding our global governance work.

Advocacy highlights in 2023

United States

A major focus of our efforts has been the Bipartisan Infrastructure Law, which was passed in 2021 and provides over \$63 billion in water-related project funding to our sector through 2026. It included a provision to prioritize the use of domestically sourced manufactured products in infrastructure projects receiving federal financial assistance. In this regard, Xylem has been actively engaged in educating administrative agencies and federal agencies such as the US Environmental

Protection Agency (EPA) to allow water and wastewater utilities access to the best available technologies to address environmental and climate impacts. We have also supported similar efforts through industry associations such as the Water and Wastewater Equipment Manufacturers Association (WWEMA) through active participation in its Legislative and Regulatory Committee.

We also continue to advocate for the enactment of the Water Infrastructure Modernization Act (HR 3490) to help communities improve water affordability, increase water equity, improve public health, protect our environment, and create a resilient water sector capable of addressing and mitigating the challenges of climate change by integrating smart water technologies into the next generation of water infrastructure projects.

European Union

To increase the sustainability efforts in urban wastewater treatment, Xylem has been driving the revision of the EU Urban Wastewater Directive, which sets minimum standards for wastewater treatment in the European Union, through coalition building and collaboration with trade associations in 2023. The European Commission had proposed to revise the 1991 directive in 2021, adding new requirements for the energy neutrality of wastewater treatment plants and the GHG emissions monitoring of carbon dioxide, nitrogen oxide and methane. The revision also includes mandatory stormwater overflow plans to help manage extreme weather events in cities and a requirement for advanced wastewater treatment of micropollutants from the pharmaceutical and cosmetics industries to support a zero-pollution agenda for water in Europe. The new legislation is expected to be adopted in 2024 and transposed into national law in the EU Member States by 2026-2027.

Spotlight



An interview with Caitlin Berretta, Xylem's Director of US Government and Industry Relations. We discuss advocating for the removal of emerging contaminants from water in the United States

Q: How is Xylem addressing the topic of emerging contaminants in government?

Caitlin: The acquisition of Evoqua has further strengthened Xylem's position as an industry leader on emerging contaminants such as per- and polyfluoroalkyl substances (PFAS), and this has been a key focus of our advocacy work in the United States. Given our years of experience in this area, we have been an active thought leader on Capitol Hill and in federal agencies, sharing our knowledge with key offices to help them understand the needs of the industry and the many communities across the country that are impacted.

Q: Can you name some of the key PFAS actions over the past years that you have worked on or that have been critical to addressing the issue?

Caitlin: We are pleased with the work the Environmental Protection Agency (EPA) has done to address emerging contaminants, such as the PFAS Strategic Roadmap, which includes a multi-faceted approach to curbing PFAS in the environment. It outlines the EPA's commitments for the period from 2021 to 2024 and includes key actions in the areas of drinking water, process water, land management, research, and development, and more. We are actively tracking PFAS regulatory updates on all fronts and sharing the information within our business.

Q: What resources are available to utilities in addressing this issue?

Caitlin: The 2021 Bipartisan Infrastructure Law included \$10 billion specifically for projects to remove emerging contaminants like PFAS from water, \$5 billion of which is allocated for small, rural, and disadvantaged communities. This funding is a critical step in the right direction.

Read more [here](#).

Engaging with trade associations

Trade associations play an important role in promoting collaboration and bringing stakeholders together to work toward a common goal. We are a member of a number of organizations around the world that can help advance our policy agenda and related business objectives. Our membership in an organization does not mean that we support all policy positions of that organization.

In 2023, we launched a comprehensive initiative to develop a unified approach to tracking and managing our engagement with trade associations around the world. This allows for greater accountability that trade association activities and benefits serve our business interests and align with our views and values. We place a high value on trade associations that focus on building human capital through diversity, equity, and inclusion, education, and volunteer activities.

Advancing shared interests: The Reservoir Center for Water Solutions

In June 2022, we opened the Reservoir Center for Water Solutions in Washington, DC. The center and its concept provide event, work, and meeting spaces to advance the common interests of the water sector through collaboration and constructive dialog and make progress on global water challenges. We have brought together more than 60 non-profit organizations, universities, think tanks, youth organizations, and international organizations at the Reservoir Center to collaborate, generate new ideas and drive action, and promote community outreach and water education.

In 2023, the Reservoir Center hosted 71 events and more than 150 meetings. We welcomed more than 3,000 visitors and provided more than 600 hours of service to the community. Our events focused on community engagement, education and thought leadership. Highlights included a Run Blue Plogging event, a water advocate and ultra-marathon endurance runner, as well as a Work in Water event attended by more than 40 high school students and volunteers from local public schools. Read more about the Reservoir Center for Water Solutions in its [2023 Annual Report](#).



Appendix

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Accounting principles

Restatement

2022 Scope 3 GHG emissions (Category 11) – We calculate the Scope 3 emissions from the use of our sold products within Category 11, and a substantial portion of these emissions come from the electricity used by our custom pumps. In 2023, we detected that a large custom pump project included in our 2022 emissions calculations, was cancelled before delivery. In this report, the impact of the cancelled project has been removed from the previously reported 2022 emissions and they have been restated.

2022 Air emissions – We are restating our 2022 methane (CH₄), and nitrous-oxide (N₂O) emissions to air following a data review in which we discovered an error in our calculations, which we have corrected in this report.

Accounting policies – Impact on the environment

- **Legacy Xylem’s environmental metrics** – The environmental metrics presented in this report for legacy Xylem encompass the combined data from the 263 sites monitored in our Environment, Health, and Safety (EHS) application.
- **Legacy Evoqua’s environmental metrics** – In 2022 and 2023, Evoqua operated 157 sites as monitored in our EHS application, each with varying size and complexity. Among these, 45 sites (44 sites and the US/Canadian vehicle fleet) accounted for over 90% of the total environmental footprint metrics. The environmental metrics presented in this report for legacy Evoqua encompass the combined data from these 45 sites.
- **Combined environmental metrics** – The environmental metrics presented in this report for the combined company represent the combined data of legacy Xylem’s 263 sites and legacy Evoqua’s selected 45 sites.

- **Major facilities for 2025 Company Sustainability Goal (Operations)** – Manufacturing facilities featured in the top 10 contributors list for Xylem’s water, waste, and greenhouse gas emissions over the past three years, or those located in areas facing extreme water stress, are considered major facilities. Legacy Xylem identified 22 such facilities in 2019: Auburn, Bridgeport, Cheektowaga, Dubois (Liberty), Lubbock, Morton Grove, Pewaukee, San Diego, Slaton, Texarkana, and Uniontown in the United States; Chihuahua in Mexico; Emmaboda in Sweden; Montecchio in Italy; Herford in Germany; Stara Tura in Slovakia; Quenington in the United Kingdom; Dubai in the United Arab Emirates; Nanjing and Shenyang in China; Vadodara in India; and Calamba in the Philippines. The list of major facilities undergoes periodic review to include facilities consistent with this definition. During the reporting period, the Slaton facility in the United States was closed, resulting in the list of major facilities now totaling 21.

Water management

- **Total water withdrawal** – The total volume of water withdrawn from surface water, groundwater, seawater, produced water, and third-party water measured in megaliters.
- **Total water recycled and reused** – The total volume of used water and wastewater processed through another cycle before discharge to final treatment and discharge to the environment measured in megaliters. Water recycling and reuse can include wastewater recycled back in the same process or higher use of recycled water in the process cycle wastewater recycled and reused in a different process but within the same facility; and wastewater reused at another of the organization’s facilities.
- **Total water treated and released** – The total volume of water treated on site and released from the facility into a sewer system, storm water system or any other water stream measured in megaliters.
- **Total water intensity** – The total water used in facilities (megaliters) per unit revenue (millions USD).

Energy consumption and emissions reduction

- **Renewable energy** – Defined as any of the following: renewable electricity (including solar, hydro, or wind power that is either indirect (purchased from the grid) or direct (generated on-site), renewable heat (including heat generated by systems powered by renewable electricity or energy sources, or passive heating systems), and renewable energy credits (RECs, for facilities where renewable energy purchase or on-site generation is not presently achievable due to regulations or geography. Xylem purchases certified RECs to offset its footprint).
- **Renewable energy source** – Energy source that is capable of being replenished in a short time through ecological cycles or agricultural processes, for example geothermal, wind, solar, hydro, and biomass.
- **Renewable electricity generated** – The total amount of renewable electricity generated at a facility, regardless of whether the equipment used to generate the electricity is owned or leased, measured in MWh.
- **Direct CO₂ emissions (Scope 1)** – GHG emissions from sources that are owned or controlled by Xylem (e.g., emissions associated with fuel combustion in boilers, furnaces, vehicles), as outlined by the GHG Protocol Corporate Accounting and Reporting Standard.
- **Indirect CO₂ emissions (Scope 2)** – GHG emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by Xylem, as outlined by the GHG Protocol Corporate Accounting and Reporting Standard. We use both location- and market-based calculation methodologies.
- **Indirect CO₂ emissions (Scope 3)** – GHG emissions not included in indirect (Scope 2) GHG emissions that occur outside of the organization, including both upstream and downstream emissions, as outlined by the GHG Protocol Corporate Accounting and Reporting Standard. In preparing Xylem’s Scope 3 calculations, a variety of data sources, conversions, and emission factor databases were utilized. Such as:

- For categories 2 and 6, spend-based emission factors from the U.S. EPA Environmentally Extended Input Output (EEIO) database were used to estimate emissions associated with our corporate spend related to the purchase of capital goods and business travel activities.
- Category 1 was assessed by way of a hybrid approach, using supplier-specific emission totals to allocate the proportion of which Xylem is responsible for a selection of our top suppliers by spend, in combination with a general spend-based approach.
- Category 3 utilized fuel and electricity totals in conjunction with upstream emission factors related to the well-to-tank emissions as well as transmission and distribution losses sourced from the International Energy Agency (IEA). and the UK Department of Environment, Food, and Rural Affairs (DEFRA).
- Category 4 utilized carrier-provided emission totals where available, and otherwise utilized a general spend-based approach.
- Category 5 was assessed by measuring tonnage of waste types generated in our operations and assigning average data emission factors accordingly.
- Category 7 used distances of employee commutes and derived emissions from certain assumptions (all employees using passenger vehicles on a single-occupant basis, full-time employees commuting 5 days per week, hybrid employees commuting 3 days per week, and all employees working 50 weeks per year). Commuting employee records without all necessary data represented approximately 28% and were modeled based on available data.
- Categories 8, 9, 10, and 14 were determined to be not relevant to Xylem’s business model. In the case of Category 9, Xylem’s carriers were not able to provide downstream transportation and distribution data. Xylem’s carriers provided everything that was paid for by Xylem and would therefore be upstream, or Category 4. Categories 12 and 15 are under further examination.

- Categories 11 and 13 utilized estimated sold and leased product electricity usage respectively, which was then assigned generation-based emission factors by country from the IEA. Note that we have included trade adjustments in Category 11 for 2024 which we did not include in previous years. Additionally, we do not currently include transmission and distribution losses or other upstream electricity generation factors in our Category 11 and 13 totals.
- **Total GHG emissions (Scope 1 & 2)** – The total amount of Scope 1 and Scope 2 emissions (location-based) measured in metric tons CO₂e. We calculate our global GHG emissions footprint each fiscal year following the guidelines of the GHG Protocol Corporate Accounting and Reporting Standard and use operational controls to categorize those emissions within our organizational boundary.
- **Total GHG emissions (Scope 1 & 2) intensity** – The total amount of Scope 1 and 2 emissions (metric tons CO₂e) per unit revenue (millions USD).
- **Total net GHG emissions (Scope 1 & 2) intensity** – The amount of Scope 1 and 2 emissions after deducting the GHG emissions avoided through purchased renewable energy credits, renewable electricity generated, and renewable purchased heat, considered as net GHG emissions (including renewable electricity) per unit revenue (millions USD).
- **Other air emissions** – Carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), and volatile organic compounds (VOCs) measured in metric tons.

Waste management

- **Zero waste to landfill for 2025 Company Sustainability Goal (Operations)** – Achieved when a facility adheres to industry-wide standards dictating that a minimum of 90% waste diverted from landfills, with no more than 10% is used for energy recovery. Waste is considered from process when, during manufacturing or processing, it comes into direct contact with, or results from the use of any raw material, intermediate product, finished product, or by-product. Waste includes process scrap.
- **Hazardous waste** – As defined by the national legislation at the point of generation, measured in metric tons.

- **Hazardous waste recycled** – Total weight of hazardous waste recycled at the facility or by a waste contractor, measured in metric tons.
- **Hazardous waste to landfill** – Total weight of hazardous waste that is placed directly in a landfill, without any prior treatment (except stabilization, blending, or other operations), measured in metric tons.
- **Hazardous waste to non-landfill** – Total weight of hazardous waste that is neither recycled nor placed directly in a landfill.
- **Non-hazardous waste** – As defined by the national legislation at the point of generation, measured in metric tons.
- **Non-hazardous waste recycled** – Total weight of non-hazardous waste recycled at the facility or by a waste contractor, measured in metric tons.
- **Non-hazardous waste to landfill** – Total weight of non-hazardous waste that is placed directly in a landfill, without any prior treatment (except stabilization, blending or other operations), measured in metric tons.
- **Non-hazardous waste to non-landfill** – Total weight of non-hazardous waste that is neither recycled nor placed directly in a landfill.
- **Packaging material** – Includes at a minimum corrugated fiberboard, plastic wrap, liquid foam packaging (Instapak), rolled foam, wood (crates and pallets), paper, metal, and other plastic.

Product sustainability

- **Total reduction of non-revenue water (NRW) for 2025 Customer Sustainability Goal** – This is calculated as the volume of NRW that Xylem enables customers to mitigate when they use leak detection technologies. The annual volumes that are potentially mitigated are accumulated from 2019 to the reporting year.
- **Non-revenue water** – Water that is produced but not consumed due to losses. Real losses (referred to as physical losses) occur through leaks. Apparent losses occur through theft or metering inaccuracies.

- **Total volume of water treated for reuse for 2025 Customer Sustainability Goal** – The volume of wastewater that customers are enabled to reuse through Xylem’s treatment technologies and solutions. The customer identifies the technologies and solutions as intended for reuse. The full lifetime impact of the solution, based on product lifetime, is counted in the year of purchase. Total annual volumes are then accumulated from 2019 to the reporting year.
- **Total polluted water prevented from flooding communities or entering local waterways for 2025 Customer Sustainability Goal** – The volume of polluted water prevented from entering waterways annually, attributed to the implementation of Xylem solutions. Total annual volumes are then accumulated from 2019 to the reporting year.
- **Polluted water** – Water that is released into waterways from combined sewer overflow (CSO) events.
- **Reduction of water’s CO₂ footprint for 2025 Customer Sustainability Goal** – The enabled reduction in metric tons of CO₂e emissions achieved through the estimated reduction in lifetime energy consumption when a legacy Xylem technology is replaced with the most current Xylem innovative technology. The full lifetime impact of the solution, based on product lifetime, is counted in the year of purchase. Total annual volumes are then accumulated from 2019 to the reporting year.
- **Product lifetime** – The expected lifetime use of a product, as judged by Xylem subject matter experts. Product lifetime is applied in formulae for calculating the estimated full lifetime impacts of a product that is purchased. It is not applied in rental scenarios.

Accounting principles - Impact on Society

Our people

- **Number of employees** – The number of Xylem employees is the sum of headcount at year-end of both legacy companies. Legacy Xylem’s number of employees include employees under legacy Xylem’s financial control with a valid permanent contract, excluding interns, apprentices, seasonal, and temporary employees. Legacy Evoqua’s number of employees include employees under legacy Evoqua’s financial control with an active employee status or that are on unpaid leave, excluding interns, apprentices, and contingent employees.
- **Pay equity assessment for 2025 Company Sustainability Goal (Workplace)** – Assessment of pay equity completed for eligible employees. The majority of non-eligible employees are paid either on the basis of union contracts or collective agreements.
- **Employees by geographical area** – The number and percentage of employees by the assigned geographical area of their work location. The regions are defined as: Americas (Argentina, Brazil, Canada, Chile, Colombia, Mexico, Peru, United States of America, Uruguay); Europe (Austria, Belgium, Czechia, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Russian Federation, Slovakia, Spain, Sweden, Switzerland, United Kingdom); Emerging markets (Algeria, Australia, Bahrain, China, Côte d’Ivoire, Egypt, Hong Kong, India, Indonesia, Japan, Kenya, Republic of Korea, Libya, Malaysia, Morocco, New Zealand, Oman, Philippines, Qatar, Saudi Arabia, Singapore, South Africa, Taiwan, Thailand, Türkiye, United Arab Emirates, Vietnam).
- **Leadership and management categories** – Leadership: employees who are in director level and above, significant business leader, or an executive leader role. Middle management (Middle mgt.): employees in professional specialist, supervisor, manager, senior manager, and similar roles (includes both people leader and individual contributor roles). Non-management (Non-mgt.): employees in line, staff, and similar roles with no managerial responsibilities.

- **Employees by gender** – The number and percentage of employees by their self-identified gender (man/woman/not disclosed) across leadership and management categories.
- **Women in leadership** – The number and percentage of employees that self-identify as women who are in director level and above, significant business leader, or an executive leader role.
- **Employees by race/ethnicity** – The number and percentage of employees (in the United States only) by their self-identified race/ethnicity (White, Black or African American, Hispanic or Latino, Asian, Two or more races, Native Hawaiian or other Pacific Islander, American Indian or Alaska Native, Not specified, or no answer provided) across leadership and management categories. Our “Other race and ethnic minority” reporting combines “Two or more races,” “Native Hawaiian or other Pacific Islander,” and “American Indian or Alaska Native.”
- **Annual voluntary turnover rate** – The voluntary turnover rate is calculated by dividing the number of voluntary leavers by the annual average number of employees at end-of period. This is a rolling 12-month rate.

Health and safety

- **Total Recordable Incident Rate (TRIR)** – Calculation formula for TRIR per 100 employees: (number of recordable incidents x 200,000) / total number of hours worked. This formula is the same as the calculation of the Injury or Illness Rate in the LRQA Assurance Statement on p. **82-84**.
- **Fatalities** – Number of employee work-related deaths.
- **Lost Time Injury Rate** – Calculation formula for LTIR per 100 employees: (number of lost time injuries x 200,000) / total number of hours worked. This formula is the same as the calculations used for the Days Away from Work Rate in the LRQA Assurance Statement on p. **82-84**.

Responsible sourcing

- **Global spend for legacy Xylem** – Global spend as it relates to our 2025 Company Sustainability Goals (Supply Chain) is based on a 12-month rolling average (December to November), and not calendar year.

Community impact

- **Measuring WASH access** – When installing new WASH solutions in schools, hospitals, homes, and communities, we meticulously consider the number of individuals affected based on the output of these solutions. For instance, each AquaBlock Emergency Water System deployed in partnership with Planet Water Foundation can produce 1,500 liters of drinking water per hour, effectively meeting the daily drinking water needs of up to 10,000 people. Similarly, when enhancing WASH infrastructure or facilities in institutions or communities, such as repairing handwashing stations in schools, installing latrines in hospitals, or optimizing existing water systems to promote water conservation, our on-the-ground partners assist us in assessing the intervention's impact. This evaluation takes into account the population utilizing these facilities and those who benefit from the improvements moving forward.

Operating at the systemic level, we advocate for WASH access and education improvements by collaborating with partners like UNICEF, fostering change at the governmental level. Xylem allocates dedicated funding to UNICEF India for its WASH program, enabling us to track our reach in terms of improved WASH education and access. This measurement is calculated as a proportion of UNICEF India's annual WASH beneficiaries, reflecting our commitment to advancing WASH initiatives.

- **Water-related natural disasters** – Our definition of a water-related natural disaster is based on the classification of disasters by the EM-DAT – International Disaster Database of the Centre for Research on the Epidemiology of Disasters: Water-related natural disasters refer to meteorological, hydrological, and climatological disasters such as droughts and wildfires, floods, wet mass movements (landslide, avalanche, subsidence), storms, wave action, or water-borne disease outbreaks. To be affected by water-related natural disasters is to experience, as a result of the disaster, reduced access to clean water or safe sanitation, damage to person or property, and/or exposure to pollution. Xylem also considers technological disasters and disasters such as earthquakes and airborne pandemics, which do not include damage through water, if there is a water-related aid response.

Accounting principles - Responsible business conduct

Ethics and compliance

- **Completion of ethics and compliance training** – The completion rate of employees in scope for the online training out of the total number of employees in scope. The completion rate is based on registrations in Xylem's Learning Management system and is only recorded as “completed” when all training modules are completed. These modules address topics such Xylem's Code of Conduct, reporting concerns, avoiding conflicts of interest, complying with anti-corruption policies and procedures, antitrust compliance, harassment prevention and data privacy.
- **Xylem Integrity Line reports** – Xylem Integrity Line reports are the number of reports that have been recorded in Xylem's whistleblower system, the Integrity Line, and investigated during the year irrespective of who made the misconduct report or how the misconduct was reported.

Intellectual property

- **Number of patents** – The number of patents granted, including design and utility patents, and excluding pending patent applications, of the combined company.

Datasheet – Impact on the environment ⁴⁹

| | 2023 ⁵⁰ | | | | | 2022 | | 2021 | | 2020 | | 2019 | |
|--|---------------------|--------------|-----------------------------|--------------------------|-------------------------------------|-----------------------------|--------------|-----------------------------|--------------|-----------------------------|--------------|-----------------------------|--|
| | Combined | Legacy Xylem | Legacy Evoqua ⁵¹ | Legacy Xylem | Legacy Evoqua Q422 ^{51,52} | Legacy Evoqua ⁵¹ | Legacy Xylem | Legacy Evoqua ⁵¹ | Legacy Xylem | Legacy Evoqua ⁵¹ | Legacy Xylem | Legacy Evoqua ⁵¹ | |
| Water (in ML) | | | | | | | | | | | | | |
| Total water withdrawal | 2,556 | 297.1 | 2,259 | 325.3 | 548 | 2,141 | 342.1 | 2,068 | 357.8 | 2,028 | 442.9 | 1,967 | |
| Total water recycled and reused | 2,101 | 227 | 1,874 | 241 | 455 | 1,427 | 121.4 | 1,171 | 58.5 | 1,272 | 51.8 | 1,218 | |
| Water recycled and reused (%) | 82% | 76% | 83% | 74.10% | 83% | 66.60% | 35.50% | 56.60% | 16.40% | 62.70% | 11.70% | 61.90% | |
| Total water treated and released | 32.6 | 32.6 | - | 32.7 | - | - | 56.5 | - | 53.6 | - | 56.7 | - | |
| Total revenues (millions USD) | 8,146 ⁵³ | 6,187 | - | 5,522 | 436 | 1,737 | 5,195 | 1,464 | 4,876 | 1,429 | 5,249 | 1,444 | |
| Total water intensity (ML / annual revenues in millions USD) | - | 0.048 | - | 0.0591 | 1.258 | 1.233 | 0.0658 | 1.412 | 0.0733 | 1.419 | 0.0844 | 1.362 | |
| Waste (in t) | | | | | | | | | | | | | |
| Non-hazardous waste recycled | 32,067 | 30,680 | 1,387 | 26,703 | 346 | - | 22,421 | - | 21,570 | - | 21,772 | - | |
| Non-hazardous waste to non-landfill | 1,588 | 1,411 | 177 | 1,600 | 48 | - | 1,653 | - | 1,435 | - | 1,557 | - | |
| Non-hazardous waste to landfill | 8,053 | 5,232 | 2,821 | 5,807 | 708 | - | 7,140 | - | 7,295 | - | 9,132 | - | |
| Total non-hazardous waste | 41,708 | 37,323 | 4,385 | 34,110 | 1,102 | 4,612 | 31,214 | 4,355 | 30,300 | 4,219 | 32,461 | 4,231 | |
| Hazardous waste recycled | 1,241 | 414 | 827 | 355 | 199 | - | 377 | - | 289 | - | 399 | - | |
| Hazardous waste to non-landfill | 13,393 | 1,224 | 12,169 | 1,202 | 3,066 | - | 1,437 | - | 1,090 | - | 958 | - | |
| Hazardous waste to landfill | 63 | 12 | 51 | 55 | 34 | - | 23 | - | 43 | - | 111 | - | |
| Total hazardous waste | 14,698 | 1,651 | 13,047 | 1,592 | 3,298 | 13,885 | 1,837 | 13,492 | 1,422 | 13,388 | 1,467 | 14,163 | |
| Total waste recycled | 33,308 | 31,094 | 2,214 | 27,038 | 545 | 2,351 | 22,798 | 2,426 | 21,860 | 1,937 | 22,171 | 1,879 | |
| Total waste to non-landfill | 14,981 | 2,635 | 12,346 | 2,802 | 3,114 | - | 3,090 | - | 2,525 | - | 2,514 | - | |
| Total waste to landfill | 8,117 | 5,245 | 2,872 | 5,861 | 742 | 3,154 | 7,163 | 2,874 | 7,338 | 2,997 | 9,243 | 3,090 | |
| Total waste | 56,406 | 38,974 | 17,432 | 35,702 | 4,400 | 18,497 | 33,052 | 17,847 | 31,723 | 17,607 | 33,929 | 18,394 | |
| Energy consumption | | | | | | | | | | | | | |
| Direct energy by type (in MWh) | | | | | | | | | | | | | |
| Renewable electricity generated | 1,526 | 1,526 | - | 1,337 | - | - | 1,203 | - | 1,036 | - | 1,031 | - | |
| Natural gas | 152,898 | 84,714 | 68,184 | 98,832 | 24,748 | 102,401 | 116,305 | 113,799 | 88,545 | 113,337 | 100,175 | 115,560 | |
| Stationary source gaseous propane | 161 | 161 | - | 55 | - | - | 10 | - | 0 | - | 0.4 | - | |
| Stationary source liquid propane | 4,729 | 4,729 | - | 2,451 | - | - | 2,206 | - | 3,249 | - | 2,318 | - | |
| Stationary source fuel oil | 6,789 | 6,049 | 740 | 5,832 | 258 | 755 | 8,671 | 806 | 7,237 | 997 | 5,419 | 862 | |
| Total stationary energy usage | 166,103 | 97,179 | 68,924 | 108,506 | 25,006 | 103,156 | 128,396 | 114,605 | 100,067 | 114,334 | 108,943 | 116,422 | |
| Mobile source gasoline | 65,885 | 11,359 | 54,526 | 11,815 | 14,280 | 48,644 | 8,237 | 37,450 | 3,879 | 31,802 | 4,612 | 33,747 | |
| Mobile source diesel | 110,027 | 59,872 | 50,155 | 69,558 | 11,161 | 46,400 | 80,510 | 47,063 | 71,652 | 49,649 | 76,993 | 48,938 | |
| Mobile source liquid propane | 1,075 | 6.57 | 1,068 | 1.9 | 312 | 1,264 | 0.71 | 1,093 | 0.71 | 1,083 | 0.16 | 1,215 | |
| Total mobile energy usage | 176,987 | 71,237 | 105,750 | 81,375 | 25,754 | 96,309 | 88,748 | 85,606 | 75,531 | 82,534 | 81,605 | 83,899 | |
| Total direct energy usage ⁵⁴ | 343,090 | 168,416 | 174,674 | 189,881 | 50,760 | 199,464 | 217,144 | 200,211 | 175,598 | 196,868 | 190,548 | 200,322 | |
| Indirect energy by type (in MWh) | | | | | | | | | | | | | |
| Purchased electricity | 187,351 | 156,954 | 30,397 | 163,572 | 8,146 | 32,832 | 162,410 | 35,007 | 166,988 | 37,074 | 167,232 | 37,868 | |
| Purchased heat | 10,565 | 10,565 | - | 9,078 | - | - | 10,939 | - | 8,282 | - | 8,498 | - | |
| Total indirect energy usage | 197,916 | 167,519 | 30,397 | 172,650 | 8,146 | 32,832 | 173,350 | 35,007 | 175,269 | 37,074 | 175,730 | 37,868 | |
| Total energy consumption | 541,007 | 335,936 | 205,071 | 362,531 | 58,906 | 232,296 | 390,493 | 235,218 | 350,868 | 233,942 | 366,278 | 238,190 | |
| Total revenues (millions USD) | 8,146 ⁵³ | 6,187 | - | 5,522 | 436 | 1,737 | 5,195 | 1,464 | 4,876 | 1,429 | 5,249 | 1,444 | |
| Total energy intensity (MWh / annual revenue in millions USD) | - | 54.3 | - | 65.9 | - | - | - | - | - | - | - | - | |
| Greenhouse gas (GHG) emissions | | | | | | | | | | | | | |
| Scope 1 (direct) (in tCO₂e) | | | | | | | | | | | | | |
| Natural gas used | 28,142 | 15,356 | 12,786 | 17,915 | 4,641 | 19,202 | 21,082 | 21,340 | 16,050 | 21,253 | 18,158 | 21,670 | |
| Stationary sources gaseous propane | 34.2 | 34.2 | - | 11.7 | - | - | 2.2 | - | 0 | - | 0.1 | - | |
| Stationary sources liquid propane | 990 | 990 | - | 513 | - | - | 462 | - | 680 | - | 485 | - | |
| Stationary source fuel oil | 1,710 | 1,524 | 186 | 1,469 | 65 | 190 | 2,185 | 203 | 1,823 | 251 | 1,365 | 217 | |
| Cryogenic CO ₂ | 1.2 | 1.2 | - | 1 | - | - | 1.5 | - | 1.3 | - | 1.3 | - | |
| Refrigerant use | 188 | 188 | - | 50 | - | - | 133 | - | 183 | - | 532 | - | |
| Total stationary GHG emissions | 31,065 | 18,093 | 12,972 | 19,960 | 4,702 | 19,392 | 23,866 | 21,543 | 18,738 | 21,504 | 20,543 | 21,887 | |
| Mobile source gasoline | 16,057 | 2,985 | 13,072 | 3,105 | 3,424 | 11,662 | 2,165 | 8,978 | 1,019 | 7,624 | 1,212 | 8,090 | |
| Mobile source diesel | 28,709 | 15,979 | 12,730 | 18,712 | 2,833 | 11,777 | 21,659 | 11,946 | 19,276 | 12,602 | 20,713 | 12,421 | |
| Mobile source liquid propane | 389 | 168 | 221 | 48 | 62 | 262 | 18 | 226 | 18 | 224 | 4 | 251 | |
| Total mobile GHG emissions | 45,156 | 19,132 | 26,024 | 21,866 | 6,319 | 23,701 | 23,842 | 21,150 | 20,313 | 20,450 | 21,929 | 20,763 | |
| Total Scope 1 emissions | 76,221 | 37,225 | 38,996 | 41,826 | 11,025 | 43,093 | 47,707 | 42,692 | 39,051 | 41,954 | 42,471 | 42,650 | |
| Scope 2 (indirect) (in tCO₂e) | | | | | | | | | | | | | |
| Purchased electricity | 51,126 | 38,939 | 12,187 | 41,241 | 3,125 | 12,863 | 42,093 | 13,925 | 48,130 | 14,487 | 48,354 | 14,141 | |
| Purchased heat | 1,579 | 1,579 | - | 2,054 | - | - | 2,476 | - | 1,809 | - | 1,773 | - | |
| Total Scope 2 emissions – location based | 52,704 | 40,517 | 12,187 | 43,295 | 3,125 | 12,863 | 44,569 | 13,925 | 49,939 | 14,487 | 50,127 | 14,141 | |
| Total Scope 2 emissions – market based | 18,272 | 5,585 | 12,687 | 10,132 | 3,356 | - | 18,214 | - | 24,766 | - | 28,763 | - | |
| Scope 3 (indirect) (in tCO₂e) | | | | | | | | | | | | | |
| Category 1 – Purchased goods | 869,020 | - | - | 2,140,679 | - | - | 2,051,168 | 190,632 | - | - | 1,978,871 | - | |
| Category 2 – Capital goods | 13,924 | - | - | - | - | - | - | 5,659 | - | - | - | - | |
| Category 3 – Fuel and energy-related activities | 40,998 | - | - | 2,500 | - | - | 2,561 | 13,457 | - | - | 20,643 | - | |
| Category 4 – Upstream transport | 217,852 | - | - | 101,082 | - | - | 272,265 | 41,035 | - | - | 251,410 | - | |
| Category 5 – Waste generated | 14,546 | - | - | 10,958 | - | - | 6,776 | 2,468 | - | - | 6,050 | - | |
| Category 6 – Business travel | 31,518 | - | - | 6,349 | - | - | 2,182 | 6,617 | - | - | 11,653 | - | |
| Category 7 – Employee commuting | 45,064 | - | - | 20,400 | - | - | 20,400 | 6,290 | - | - | 20,400 | - | |
| Category 9 – Downstream transport ⁴⁹ | - | - | - | 63,045 | - | - | 56,518 | - | - | - | 11,653 | - | |
| Category 11 – Use of sold products | 61,288,587 | - | - | 64,005,249 ⁵⁵ | - | - | 58,794,207 | 1,280,811 | - | - | 69,500,776 | - | |
| Category 13 – Downstream leased assets | 629,286 | - | - | - | - | - | - | 73,900 | - | - | - | - | |
| Total Scope 3 emissions | 63,150,795 | - | - | 66,350,262 ⁵⁵ | - | - | 61,206,079 | 1,749,544 | - | - | 71,834,829 | - | |
| Total GHG emissions (Scope 1 & 2) intensity (in tCO₂e / annual revenues in millions USD) | | | | | | | | | | | | | |
| Total GHG emissions (Scope 1 & 2) | 128,924 | 77,742 | 51,182 | 85,094 | 14,240 | 55,956 | 92,276 | 56,618 | 88,990 | 56,441 | 92,598 | 56,791 | |
| Total revenues (millions USD) | 8,146 ⁵³ | 6,187 | - | 5,522 | 436 | 1,737 | 5,195 | 1,464 | 4,876 | 1,429 | 5,249 | 1,444 | |
| Total GHG emissions (Scope 1 & 2) intensity | - | 12.6 | - | 15.5 | 0.0327 | 0.0326 | 17.75 | 0.0387 | 18.2 | 0.0395 | 17.64 | - | |
| Emissions avoided via purchased renewable energy credits | 34,448 | 34,448 | - | 32,825 | - | - | 25,987 | - | 24,515 | - | 17,605 | - | |
| Renewable electricity generated | 800 | 800 | - | 706 | - | - | 605 | - | 652 | - | 681 | - | |
| Renewable purchased heat | 813 | 813 | - | 809 | - | - | 1,039 | - | 5 | - | 6 | - | |
| Net GHG emissions (Scope 1 & 2) incl. renewable energy | 93,676 | 42,494 | 51,182 | 50,754 | 14,240 | 55,956 | 64,645 | 56,618 | 63,817 | 56,411 | 74,306 | 56,784 | |
| Total net GHG emissions (Scope 1 & 2) intensity | - | 6.87 | - | 9.23 | 32.7 | 32.2 | 12.43 | 38.7 | 13.08 | 39.5 | 14.15 | 39.3 | |
| Air emissions (in t) | | | | | | | | | | | | | |
| Volatil organic compound (VOC) emissions | 91.1 | 91.1 | - | 90.3 | - | - | 81.8 | - | 81.1 | - | 89.4 | - | |
| Other GHG emissions (in t) | | | | | | | | | | | | | |
| CO ₂ | 58,842 | 58,842 | - | 64,858 | - | - | 69,193 | - | - | - | - | - | |
| CH ₄ | 17.1 | 17.1 | - | 17.02 | - | - | 17 | - | - | - | - | - | |
| N ₂ O | 79.3 | 79.3 | - | 82.69 | - | - | 85 | - | - | - | - | - | |

⁴⁹ See Accounting principles on p. 72-73 for more information.

⁵⁰ Legacy Xylem, legacy Evoqua and the combined 2023 environmental data refers to January 1 – December 31, 2023. Legacy Xylem data for 2022, 2021, 2020 and 2019 refers to legacy Xylem's fiscal year from January 1 – December 31 of each reporting year. Legacy Evoqua data for 2022, 2021, 2020 and 2019 refers to legacy Evoqua's fiscal year from October 1 – September 31 of each reporting year. Legacy Evoqua's Q422 data refers to October 1 – December 31, 2022.

⁵¹ Representing 45 sites (44 sites and the US/Canadian vehicle fleet) of legacy Evoqua that accounted for over 90% of its total environmental footprint metrics.

⁵² Legacy Evoqua's Q422 data refers to October 1 – December 31, 2022.

⁵³ 2023 pro forma revenue of the combined company.

⁵⁴ Total direct energy usage = stationary + mobile

⁵⁵ See restatement for 2022 Scope 3 GHG emissions (Category 11) in the accounting principles on page 72-73.

Datasheet – Impact on society ⁵⁶

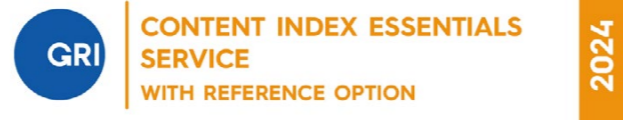
| | 2023 | | | 2022 | | 2021 | | 2020 | | 2019 | |
|---|-----------------|-----------------|----------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|--------------|---------------|
| | Combined | Legacy Xylem | Legacy Evoqua | Legacy Xylem | Legacy Evoqua | Legacy Xylem | Legacy Evoqua | Legacy Xylem | Legacy Evoqua | Legacy Xylem | Legacy Evoqua |
| Employees | | | | | | | | | | | |
| Total employees (#) | 22,786 | 18,244 | 4,542 | 17,926 | ~4,500 | 17,551 | ~4,000 | 16,656 | ~4,020 | 16,461 | ~4,150 |
| Annual voluntary turnover rate (%) | 8.50% | 8.06% | 11.17% | 11.20% | - | 13.60% | - | 12.24% | - | - | - |
| By gender (# (%)) | | | | | | | | | | | |
| Men | 16,943 (74.36%) | 13,383 (73.36%) | 3,560 (78.38%) | 13,145 (73.30%) | - | 12,812 (74.20%) | - | 12,440 (74.70%) | - | 12,445 (-) | - |
| Women | 5,747 (25.22%) | 4,765 (26.12%) | 982 (21.62%) | 4,648 (25.90%) | - (21.30%) | 4,365 (25.30%) | - (20%) | 4,159 (25%) | - (20%) | 4,016 (-) | - |
| Not specified | 96 (0.42%) | 96 (0.42%) | 0 | 133 (0.70%) | - | 14 (0.10%) | - | 3 (0%) | - | - | - |
| No answer provided | 0 | 0 | 0 | - | - | 67 (0.40%) | - | 54 (0.30%) | - | - | - |
| By geographical area (# (%)) | | | | | | | | | | | |
| Americas | 10,405 (45.66%) | 6,877 (37.69%) | 3,528 (77.68%) | 6,667 (37.20%) | - (74.90%) | 6,538 (37%) | - | 7,478 (45%) | - | 6,520 (40%) | - |
| Europe | 8,754 (38.39%) | 8,197 (44.93%) | 550 (12.11%) | 8,160 (45.50%) | - | 7,931 (45%) | - | 6,370 (38%) | - | 7,250 (44%) | - |
| Emerging markets | 3,627 (15.92%) | 3,170 (17.38%) | 464 (10.22%) | 3,099 (17.30%) | - | 3,082 (18%) | - | 2,808 (17%) | - | 2,691 (16%) | - |
| By management level (# (%)) | | | | | | | | | | | |
| Leadership – Total | 904 (3.97%) | 725 (3.98%) | 179 (3.94%) | - | - | - | - | - | - | - | - |
| Leadership – Men | 675 (74.67%) | 534 (73.66%) | 141 (78.77%) | - | - | - | - | - | - | - | - |
| Leadership – Women | 229 (25.33%) | 191 (26.34%) | 38 (21.23%) | 180 (25.40%) | - | 158 (24.70%) | - | 137 (23.80%) | - | - | - |
| Leadership – Not specified | 0 | 0 | 0 | - | - | - | - | - | - | - | - |
| Middle mgt. – Total | 11,571 (50.78%) | 9,298 (50.96%) | 2,273 (50.04%) | - | - | - | - | - | - | - | - |
| Middle mgt. – Men | 8,605 (74.37%) | 6,942 (74.66%) | 1,663 (73.16%) | - | - | - | - | - | - | - | - |
| Middle mgt. – Women | 2,932 (25.34%) | 2,322 (24.97%) | 610 (26.86%) | 2,155 (24.30%) | - | 1,909 (23.40%) | - | 1,741 (22.60%) | - | - | - |
| Middle mgt. – Not specified | 34 (0.29%) | 34 (0.37%) | 0 | - | - | - | - | - | - | - | - |
| Non-mgt. – Total | 10,311 (45.25%) | 8,221 (45.06%) | 2,090 (46.02%) | - | - | - | - | - | - | - | - |
| Non-mgt. – Men | 7,663 (74.32%) | 5,907 (71.85%) | 1,756 (84.02%) | - | - | - | - | - | - | - | - |
| Non-mgt. – Women | 2,586 (25.08%) | 2,252 (27.40%) | 334 (15.98%) | 2,289 (27.20%) | - | 2,289 (27.10%) | - | 2,250 (27.10%) | - | - | - |
| Non-mgt. – Not specified | 62 (0.60%) | 62 (0.75%) | 0 | - | - | - | - | - | - | - | - |
| U.S. employees by race and ethnic minority group (# (%)) ⁵⁷ | | | | | | | | | | | |
| Leadership – Total | 90 (19.11%) | 73 (20.51%) | 17 (11.04%) | 72 (20.90%) | - | 67 (19.30%) | - | 55 (17.20%) | - | - (0.40%) | - |
| Leadership – African-American | 17 (3.61%) | 14 (4.09%) | 3 (2.33%) | 14 (4.10%) | - | 13 (3.70%) | - | 8 (2.50%) | - | - (0.10%) | - |
| Leadership – Asian-American | 34 (7.22%) | 28 (8.19%) | 6 (4.65%) | 25 (7.20%) | - | 25 (7.20%) | - | 22 (6.90%) | - | - (0.20%) | - |
| Leadership – Hispanic | 29 (6.16%) | 22 (6.43%) | 7 (5.43%) | 21 (6.10%) | - | 18 (5.20%) | - | 16 (5%) | - | - (0.10%) | - |
| Leadership – Other race and ethnic minorities | 10 (2.12%) | 9 (2.63%) | 1 (0.78%) | 12 (3.50%) | - | 11 (3.20%) | - | 9 (2.80%) | - | - (0.20%) | - |
| Middle mgt. – Total | 881 (21.58%) | 637 (22.17%) | 244 (15.46%) | 552 (20.20%) | - | 512 (19%) | - | 485 (18.30%) | - | - (0%) | - |
| Middle mgt. – African-American | 219 (5.37%) | 162 (5.77%) | 57 (4.47%) | 150 (5.50%) | - | 122 (4.50%) | - | 116 (4.40%) | - | - (0.70%) | - |
| Middle mgt. – Asian-American | 302 (7.40%) | 225 (8.02%) | 77 (6.03%) | 197 (7.20%) | - | 186 (6.90%) | - | 181 (6.80%) | - | - (0.50%) | - |
| Middle mgt. – Hispanic | 276 (6.76%) | 194 (6.91%) | 82 (6.43%) | 158 (5.80%) | - | 155 (5.70%) | - | 141 (5.30%) | - | - (0.70%) | - |
| Middle mgt. – Other race and ethnic minorities | 84 (2.06%) | 56 (2%) | 28 (2.19%) | 47 (1.70%) | - | 49 (1.80%) | - | 47 (1.80%) | - | - (0.20%) | - |
| Non-mgt. – Total | 1,414 (35.86%) | 897 (33.96%) | 517 (31.07%) | 820 (32.20%) | - | 814 (32%) | - | 746 (30.30%) | - | - (21.40%) | - |
| Non-mgt. – African-American | 593 (15.04%) | 390 (15.06%) | 203 (15%) | 330 (13%) | - | 315 (12.40%) | - | 296 (12%) | - | - (6.60%) | - |
| Non-mgt. – Asian-American | 138 (3.50%) | 99 (3.82%) | 39 (2.88%) | 105 (4.10%) | - | 109 (4.20%) | - | 106 (4.30%) | - | - (5.20%) | - |
| Non-mgt. – Hispanic | 561 (14.23%) | 330 (12.74%) | 231 (17.07%) | 322 (12.70%) | - | 331 (13%) | - | 293 (11.90%) | - | - (8.40%) | - |
| Non-mgt. – Other race and ethnic minorities | 122 (3.09%) | 78 (3.01%) | 44 (3.25%) | 63 (2.50%) | - | 60 (2.40%) | - | 51 (2.10%) | - | - (1.20%) | - |
| U.S. employees by age (# (%)) | | | | | | | | | | | |
| <30 years – Total | - | 779 (13.20%) | - | 716 (12.70%) | - | - (12.40%) | - | - (11.20%) | - | - (12.70%) | - |
| <30 years – Leadership | - | 0 | - | 8 (0.10%) | - | - (0%) | - | - (0%) | - | - (0%) | - |
| <30 years – Middle mgt. | - | 20 (0.34%) | - | 18 (0.30%) | - | - (0.30%) | - | - (0.30%) | - | - (0.30%) | - |
| <30 years – Non mgt. | - | 759 (12.86%) | - | 690 (12.20%) | - | - (12.10%) | - | - (10.90%) | - | - (12.30%) | - |
| 30-50 years – Total | - | 2,838 (48.08%) | - | 2,663 (47.10%) | - | - (47.10%) | - | - (47.30%) | - | - (45.10%) | - |
| 30-50 years – Leadership | - | 69 (1.17%) | - | 196 (3.50%) | - | - (3.40%) | - | - (1.40%) | - | - (1.20%) | - |
| 30-50 years – Middle mgt. | - | 454 (7.69%) | - | 334 (5.90%) | - | - (6.20%) | - | - (7.70%) | - | - (7.40%) | - |
| 30-50 years – Non mgt. | - | 2,315 (39.22%) | - | 2,133 (37.80%) | - | - (37.50%) | - | - (38.10%) | - | - (36.60%) | - |
| >50 years – Total | - | 2,286 (38.73%) | - | 2,271 (40.20%) | - | - (40.50%) | - | - (41.60%) | - | - (42.20%) | - |
| >50 years – Leadership | - | 76 (1.29%) | - | 174 (3.10%) | - | - (2.80%) | - | - (1.20%) | - | - (1.10%) | - |
| >50 years – Middle mgt. | - | 350 (5.93%) | - | 252 (4.50%) | - | - (4.70%) | - | - (6%) | - | - (5.80%) | - |
| >50 years – Non mgt. | - | 1,860 (31.51%) | - | 1,845 (32.70%) | - | - (33%) | - | - (34.40%) | - | - (35.30%) | - |
| Training | | | | | | | | | | | |
| Annual average formal learning hours per employee | 16.75 | 16.71 | 16.93 | 14 | - | 12.9 | - | 6 | - | 11.9 | - |
| Employee health and safety | | | | | | | | | | | |
| Total Recordable Incident Rate (TRIR) | 0.61 | 0.54 | 0.85 | 0.64 | 0.68 | 0.68 | 1.2 | 0.62 | 0.81 | 0.66 | 1.11 |
| Lost Time Injury Rate (LTIR) | 0.33 | 0.33 | 0.34 | 0.34 | 0.09 | 0.39 | 0.26 | 0.31 | 0.28 | 0.34 | 0.25 |
| Fatalities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Responsible sourcing (%) | | | | | | | | | | | |
| Suppliers that have taken the WASH4Work Pledge (% of global spend) | - | 49% | - | 40.40% | - | 35% | - | 19% | - | - | - |
| Suppliers that have completed EcoVadis assessment (% of global spend) | - | 43.40% | - | 39.70% | - | - | - | - | - | - | - |
| Suppliers that have completed CDP disclosure (% of global spend) | - | 35.80% | - | 32.40% | - | - | - | - | - | - | - |
| U.S. spend from diverse suppliers | 8.30% | 10.20% | - | 9.10% | - | 8.20% | - | - | - | - | - |
| Community impact | | | | | | | | | | | |
| Number of volunteer hours | - | 184,000+ | - | 156,000+ | - | 113,000 | - | 53,100 | - | 70,000+ | - |
| Employees who participated in volunteer activities (%) | - | 89% | - | 87% | - | 78% | - | 45% | - | 58% | - |
| Number of people reached with WASH solution (millions) | 3.8M | - | - | 2.4M | - | 1.8M | - | 3.5M | - | 640,000 | - |
| Number of people reached with Xylem's water education programs (millions) | 3.3M | - | - | 1.7M | - | 1.4M | - | 3.6M | - | 320,000 | - |
| Number of areas provided with humanitarian aid | 30 | - | - | 30 | - | 23 | - | 17 | - | 11 | - |

⁵⁶ See Accounting principles on p. 73-74 for more information.

⁵⁷ For more detailed representation data, please see our [U.S. Federal Employer Information EEO-1 Report](#).

Reporting frameworks

GRI Content Index



Statement of use:
Xylem Inc. has reported the information cited in this GRI content index for the period 1 January 2023 to 31 December 2023 with reference to the GRI Standards.

GRI 1 used
GRI 1: Foundation 2021

Applicable GRI Sector Standard(s)
None

For the Content Index – Essentials With Reference option Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting with reference to the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.

| GRI Standard / Other source | Response / location |
|-----------------------------|---------------------|
|-----------------------------|---------------------|

General disclosures

GRI 2: General disclosures 2021

| | |
|--|--|
| 2-1 Organizational details | <p>Xylem Inc.: 301 Water Street SE, Washington, DC, 20003</p> <p>Xylem Facilities Worldwide: See our website for the full list of facilities worldwide. Publicly traded company listed on the New York Stock Exchange (XYL).</p> |
| 2-2 Entities included in the organization's sustainability reporting | This report covers Xylem Inc. and all entities under Xylem's operational control. |
| 2-3 Reporting period, frequency, and contact point | <p>Reporting period: January 1, 2023 – December 31, 2023. Frequency: Annual Contact Point: xylem.sustainability@xylem.com</p> |
| 2-4 Restatements of information | The sustainability data in this report has been combined for legacy Xylem and legacy Evoqua. For more information, see "About the report" (p. 3), and "Accounting principles" (p. 72-74). |
| 2-5 External assurance | See "LRQA Assurance" (p. 82-84) |
| 2-6 Activities, value chain, and other business relationships | See "Our business" (p. 6), and "Business overview" (p. 4) in our 2023 10-K . |
| 2-7 Employees | See "DEI in numbers" (p. 45-46), and "Datasheet" (p. 76) |
| 2-8 Workers who are not employees | This data is not available. |
| 2-9 Governance structure and composition | Our Board oversees the interests of our shareholders in the Company's long-term health, business, financial strength, and overall success. The Board serves as the ultimate decision-making body of the company, except for those matters reserved to or shared with the shareholders. The Board and its Audit Committee, Leadership Development & Compensation Committee and Nominating & Governance Committee oversee management's approach to managing key risks. For more information, see "Role of the Board" (p. 20), and "Oversight of Risk" (p. 21) in our 2024 Proxy Statement . |
| 2-10 Nomination and selection of the highest governance body | Our Board, through its Nominating & Governance Committee, regularly reviews the experience, skills and qualifications needed to properly oversee the interests of the Company and its shareholders, considering the Company's short and long-term strategies, and evolving global operations. Our Nominating & Governance Committee also regularly reviews Board size and composition. The Committee is responsible for identifying and recommending qualified director candidates to the Board of Directors. In fulfilling this responsibility, the Nominating & Governance Committee seeks to identify candidates who possess the experience, skills, qualifications, and attributes necessary to provide a broad range of personal characteristics to the Board, including diversity of thought and background, experience in technology and innovation, and global business experience. All directors annually stand for re-election at the annual shareholder meeting. For more information, see "Election of Directors" (p. 7-8), "Board effectiveness" (p. 27), and "Board diversity" (p. 29) in our 2024 Proxy Statement . |
| 2-11 Chair of the highest governance body | Our Board is led by our independent Chair. The Board believes that our current leadership structure strengthens the Board's role in oversight of the Company. Mr. Robert Friel currently serves as our independent Chair and was re-elected to the role effective following the 2024 Annual Meeting. For more information, see "Board leadership structure" (p. 26) in our 2024 Proxy Statement . |
| 2-12 Role of the highest governance body in overseeing the management of impacts | At Xylem, sustainability is at the center of who we are, and what we do. As a leading global water technology company, we address one of the world's most urgent sustainability challenges – responsible stewardship of our shared water resources. The Board and its committees, as appropriate, regularly discuss with management our approach to sustainability, including risks and opportunities, implications for the Company's strategy, our progress in meeting our sustainability-related commitments, and our sustainability reporting. One of the Board's key responsibilities is overseeing the Company's strategy. The Board has deep knowledge and expertise in this area and regularly discusses our strategic priorities and businesses, believing that oversight of our strategy is a continuous process. For more information, see "Oversight of Strategy" (p. 20), and "Commitment to Sustainability" (p. 35) in our 2024 Proxy Statement . |
| 2-13 Delegation of responsibility for managing impacts | The Board oversees our strategy and management's approach to risk management and execution of its risk management responsibilities; both strategy and risk management include areas that affect Xylem's sustainability efforts. Our Board, primarily through its Nominating & Governance Committee, provides oversight of the Company's approach to sustainability and corporate social responsibility. In addition, our Leadership Development & Compensation Committee oversees the Company's approach to improving diversity, equity, and inclusion as well as talent development. The Board and its committees regularly discuss with management our approach to sustainability, including risks and opportunities, and implications for the Company's strategy. See "Commitment to Sustainability" (p. 35) in our 2024 Proxy Statement . |
| 2-14 Role of the highest governance body in sustainability reporting | The Board, primarily through its Nominating & Governance Committee, provides oversight of our approach to sustainability reporting. See "Commitment to Sustainability" (p. 35) in our 2024 Proxy Statement . |
| 2-15 Conflicts of interest | We have a written policy that governs the reporting, review and approval or ratification of transactions with related parties. The policy covers, but is not limited to, the related party transactions and relationships required to be disclosed under SEC rules. The policy supplements our Code of Conduct, which addresses potential conflict-of-interest situations. See "Related party transactions" (p. 24) in our 2024 Proxy Statement . Also see "Conflict of interest" (p. 65). |

| GRI Standard / Other source | Response / location | | |
|--|--|--|--|
| 2-16 Communication of critical concerns | The Board has established a process to facilitate communication between shareholders and other interested parties with the Company's independent directors. Communications intended for the Board, or for any individual member or members of the Board, should be sent by: (1) e-mail to IndependentDirectors@xylem.com or (2) mail directed to our Corporate Secretary at Xylem Inc., 301 Water Street SE, Washington, DC 20003, with a request to forward the communication to the intended recipients. See "Communicating with the Board of Directors" (p. 35) in our 2024 Proxy Statement . Also see "Reporting mechanisms" (p. 66), and Xylem's Integrity Line . | | |
| 2-17 Collective knowledge of the highest governance body | The Nominating & Governance Committee conducts targeted efforts to identify and recruit individuals that have the requisite experience, skills, and qualifications, keeping in mind our commitment to actively seek qualified women and individuals from minority groups to include in the pool of candidates from which directors are selected. Directors and candidates should be persons of the highest personal and professional ethics, integrity, and values, with significant accomplishments and recognized stature, and who bring a diversity of backgrounds and perspectives to the Board and are committed to representing the long-term interests of the shareholders. Our Board believes that the current directors have the appropriate mix of experience, skills, qualifications, and attributes needed to lead the Company at the Board level. See "Election of Directors" (p. 7) in our 2024 Proxy Statement . | | |
| 2-18 Evaluation of the performance of the highest governance body | Each year our Nominating & Governance Committee initiates a comprehensive assessment of the effectiveness of the Board and each of our committees, and, at its option, individual directors, using either a self-assessment or third-party advisor and facilitator. The objective of the annual assessment process is to identify and assess areas where the Board functions effectively and areas where it can improve. See "Board effectiveness" (p. 27) in our 2024 Proxy Statement . | | |
| 2-19 Remuneration policies | A comprehensive discussion of director and executive compensation can be found in our 2024 Proxy Statement (p. 40-67). | | |
| 2-20 Process to determine remuneration | Our Board values the input and insights of the Company's shareholders and believes that effective Board-shareholder communication strengthens the Board's role as an active, informed and engaged fiduciary. We make a concerted effort to engage with shareholders throughout the year to solicit their input on a range of topics related to executive compensation and governance matters. For more information, see "Shareholder engagement program" (p. 33) in our 2024 Proxy Statement . A comprehensive discussion of director and executive compensation can be found in our 2024 Proxy Statement (p. 40-67) | | |
| 2-21 Annual total compensation ratio | In 2023, the ratio between the annual total compensation of the chief executive officer and the annual total compensation for the median employee was 192:1. For more information, see p. 64 in our 2024 Proxy Statement . | | |
| 2-22 Statement on sustainable development strategy | See "A message from Matthew Pine" (p. 4), and "A message from Claudia Toussaint" (p. 4). | | |
| 2-23 Policy commitments | See Xylem Policies . | | |
| 2-24 Embedding policy commitments | Xylem's Board of Directors, primarily through its Nominating & Governance Committee, provides oversight of Xylem's approach to sustainability and corporate social responsibility. The integration of specific ESG policy commitments into Xylem's strategies and operational procedures is overseen by various cross-functional teams. | | |
| 2-25 Processes to remediate negative impacts | To facilitate compliance with our principles, we've adopted straightforward processes for colleagues and other stakeholders to report their concerns and instances of observed misconduct. See "Reporting Mechanisms" (p. 66) for more details. | | |
| 2-26 Mechanisms for seeking advice and raising concerns | We provide multiple reporting tools so that concerned individuals can report in a way most comfortable to them. See "Reporting Mechanisms" (p. 66) for more details. | | |
| 2-27 Compliance with laws and regulations | In 2023, Xylem had no significant non-compliance with laws and regulations. For more information, see Note 20, "Commitments and Contingencies" (p. 76), of the consolidated financial statements included in Item 8 of Part II of Xylem's 10-K for the year ended 2023, filed February 23, 2024 for information regarding certain legal and regulatory proceedings we are involved in. | | |
| 2-28 Membership associations | Xylem also holds positions in, participates with or provides funding beyond routine membership dues to industry associations and advocacy organizations. These are some examples: | | |
| | <table border="0"> <tr> <td style="vertical-align: top;"> <p>Industry</p> <ul style="list-style-type: none"> • American Water Works Association • Alliance for Energy Savings (EU-ASE) • Association of Metropolitan Water Agencies • Australian Water Association • Aqua • Europump • European Biogas Association • European Water Association • Hydraulic Institute • International Society of Sustainability Professionals • International Water Association • National Association of Clean Water Agencies • Rural Community Assistance Partnership • Stockholm International Water Institute </td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> • World Economic Forum • Water and Wastewater Equipment Manufacturers Association • Water Environment Federation • Water Europe • Water Environment Federation • WaterReuse Association <p>Social, Governance and Ethics</p> <ul style="list-style-type: none"> • Business Roundtable, Corporate Governance Committee • HRC Foundation • Smart Water Networks Forum • Society of Corporate Compliance and Ethics • U.S. – India Business Council • U.S. – Saudi Business Council • U.S. Water Alliance • Water Research Foundation </td> </tr> </table> | <p>Industry</p> <ul style="list-style-type: none"> • American Water Works Association • Alliance for Energy Savings (EU-ASE) • Association of Metropolitan Water Agencies • Australian Water Association • Aqua • Europump • European Biogas Association • European Water Association • Hydraulic Institute • International Society of Sustainability Professionals • International Water Association • National Association of Clean Water Agencies • Rural Community Assistance Partnership • Stockholm International Water Institute | <ul style="list-style-type: none"> • World Economic Forum • Water and Wastewater Equipment Manufacturers Association • Water Environment Federation • Water Europe • Water Environment Federation • WaterReuse Association <p>Social, Governance and Ethics</p> <ul style="list-style-type: none"> • Business Roundtable, Corporate Governance Committee • HRC Foundation • Smart Water Networks Forum • Society of Corporate Compliance and Ethics • U.S. – India Business Council • U.S. – Saudi Business Council • U.S. Water Alliance • Water Research Foundation |
| <p>Industry</p> <ul style="list-style-type: none"> • American Water Works Association • Alliance for Energy Savings (EU-ASE) • Association of Metropolitan Water Agencies • Australian Water Association • Aqua • Europump • European Biogas Association • European Water Association • Hydraulic Institute • International Society of Sustainability Professionals • International Water Association • National Association of Clean Water Agencies • Rural Community Assistance Partnership • Stockholm International Water Institute | <ul style="list-style-type: none"> • World Economic Forum • Water and Wastewater Equipment Manufacturers Association • Water Environment Federation • Water Europe • Water Environment Federation • WaterReuse Association <p>Social, Governance and Ethics</p> <ul style="list-style-type: none"> • Business Roundtable, Corporate Governance Committee • HRC Foundation • Smart Water Networks Forum • Society of Corporate Compliance and Ethics • U.S. – India Business Council • U.S. – Saudi Business Council • U.S. Water Alliance • Water Research Foundation | | |
| | Also see "Commitments" (p. 24), and "Political engagement" (p. 69-70). | | |
| 2-29 Approach to stakeholder engagement | See "Sustainability" (p. 12-14) in our 2023 10-K . | | |
| 2-30 Collective bargaining agreements | As of December 31, 2023, we employed around 22,800 people worldwide, of which about 10,400 were in the Americas, 8,800 in Europe and 3,600 in Emerging Markets. Around 66% of our employees in Europe are represented by trade unions or works councils and 11% of our employees in the United States are covered by collective bargaining agreements. In some other countries, employees are also represented by works councils. | | |

GRI Content Index – continued

| GRI Standard / Other source | Response / location |
|--|--|
| Material topics | |
| GRI 3: Material topics 2021 | |
| 3-1 Process to determine material topics | Xylem recently conducted a double materiality assessment exercise as part of the combination with Evoqua and in preparations for upcoming CSRD requirements. We intend to conduct an ESRS gap assessment to determine the detailed disclosure requirements before publishing the detailed results of the double materiality assessment in future sustainability reports. For more information, see "Double materiality assessment exercise" (p. 20). |
| 3-2 List of material topics | Xylem recently conducted a double materiality assessment exercise as part of the combination with Evoqua and in preparations for upcoming CSRD requirements. We intend to conduct an ESRS gap assessment to determine the detailed disclosure requirements before publishing the detailed results of the double materiality assessment in future sustainability reports. For more information, see "Double materiality assessment exercise" (p. 20). |

Indirect economic impacts

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|--|--|
| GRI 3: Material topics 2021 | |
| 3-3 Management of material topics | As we continue to navigate the integration process with Evoqua, we remain focused on evaluating synergies and assessing their implications on our internal management practices concerning material topics, including respective oversight, policies, and commitments. This evaluation will inform updates to our reporting on internal management practices moving forward. |
| GRI 203: Indirect economic impacts 2016 | |
| 203-2 Significant indirect economic impacts | See "Community impact" (p. 56-63). |

Procurement practices

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|---|--|
| GRI 3: Material topics 2021 | |
| 3-3 Management of material topics | As we continue to navigate the integration process with Evoqua, we remain focused on evaluating synergies and assessing their implications on our internal management practices concerning material topics, including respective oversight, policies, and commitments. This evaluation will inform updates to our reporting on internal management practices moving forward. |
| GRI 204: Procurement practices 2016 | |
| 204-1 Proportion of spending on local suppliers | See "Responsible sourcing" (p. 53-55). |

Anti-corruption

| | |
|--|--|
| GRI 3: Material topics 2021 | |
| 3-3 Management of material topics | As we continue to navigate the integration process with Evoqua, we remain focused on evaluating synergies and assessing their implications on our internal management practices concerning material topics, including respective oversight, policies, and commitments. This evaluation will inform updates to our reporting on internal management practices moving forward. |
| GRI 205: Anti-corruption 2016 | |
| 205-1 Operations assessed for risks related to corruption | See "Risk management oversight" (p. 20), and "Ethics and compliance" (p. 65-66). |
| 205-2 Communication and training about anti-corruption policies and procedures | See "Ethics and compliance" (p. 65-66). |
| 205-3 Confirmed incidents of corruption and actions taken | A key success metric of our management of ethics and accountability is the number of incidents of corruption or anti-competitive behavior. No material incidents of such activity were confirmed in 2023. |

Anti-competitive behavior

| | |
|---|--|
| GRI 3: Material topics 2021 | |
| 3-3 Management of material topics | As we continue to navigate the integration process with Evoqua, we remain focused on evaluating synergies and assessing their implications on our internal management practices concerning material topics, including respective oversight, policies, and commitments. This evaluation will inform updates to our reporting on internal management practices moving forward. |
| GRI 206: Anti-competitive behavior 2016 | |
| 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | No material incidents were confirmed in 2023. |

Materials

| | |
|--|--|
| GRI 3: Material topics 2021 | |
| 3-3 Management of material topics | As we continue to navigate the integration process with Evoqua, we remain focused on evaluating synergies and assessing their implications on our internal management practices concerning material topics, including respective oversight, policies, and commitments. This evaluation will inform updates to our reporting on internal management practices moving forward. |
| GRI 301: Materials 2016 | |
| 301-3 Reclaimed products and their packaging materials | See "Waste management" (p. 33). |

| GRI Standard / Other source | Response / location |
|--|--|
| Energy | |
| GRI 3: Material topics 2021 | |
| 3-3 Management of material topics | As we continue to navigate the integration process with Evoqua, we remain focused on evaluating synergies and assessing their implications on our internal management practices concerning material topics, including respective oversight, policies, and commitments. This evaluation will inform updates to our reporting on internal management practices moving forward. |
| GRI 302: Energy 2016 | |
| 302-1 Energy consumption within the organization | See "Energy efficiency and emissions reduction" (p. 30-32). |
| 302-3 Energy intensity | See "Energy efficiency and emissions reduction" (p. 30-32). |
| 302-4 Reduction of energy consumption | See "Energy efficiency and emissions reduction" (p. 30-32). |
| 302-5 Reductions in energy requirements of products and services | See "Energy efficiency and emissions reduction" (p. 30-32). |

Water and effluents

| | |
|---|--|
| GRI 3: Material topics 2021 | |
| 3-3 Management of material topics | As we continue to navigate the integration process with Evoqua, we remain focused on evaluating synergies and assessing their implications on our internal management practices concerning material topics, including respective oversight, policies, and commitments. This evaluation will inform updates to our reporting on internal management practices moving forward. |
| GRI 303: Water and effluents 2018 | |
| 303-1 Interactions with water as a shared resource | See "Water management" (p. 29). |
| 303-2 Management of water discharge-related impacts | See "Water management" (p. 29). |
| 303-4 Water discharge | See "Water management" (p. 29). |
| 303-5 Water consumption | See "Water management" (p. 29). |

Emissions

| | |
|---|--|
| GRI 3: Material topics 2021 | |
| 3-3 Management of material topics | As we continue to navigate the integration process with Evoqua, we remain focused on evaluating synergies and assessing their implications on our internal management practices concerning material topics, including respective oversight, policies, and commitments. This evaluation will inform updates to our reporting on internal management practices moving forward. |
| GRI 305: Emissions 2016 | |
| 305-1 Direct (Scope 1) GHG emissions | See "Energy efficiency and emissions reduction" (p. 30-32). |
| 305-2 Energy indirect (Scope 2) GHG emissions | See "Energy efficiency and emissions reduction" (p. 30-32). |
| 305-3 Other indirect (Scope 3) GHG emissions | See "Energy efficiency and emissions reduction" (p. 30-32). |
| 305-4 GHG emissions intensity | See "Energy efficiency and emissions reduction" (p. 30-32). |
| 305-5 Reduction of GHG emissions | See "Energy efficiency and emissions reduction" (p. 30-32). |
| 305-6 Emissions of ozone-depleting substances (ODS) | We do not use significant amounts of ozone-depleting substances, and for that reason do not track their use. We adhere to the Montreal Protocol, administered by the United Nations Environment Programme (UNEP), which maintains the list of ozone-depleting substances that are targeted for reductions and total phase-outs. |
| 305-7 Nitrogen Oxides (Nox), Sulfur Oxides (Sox), and other significant air emissions | See "Energy efficiency and emissions reduction" (p. 33). |

Waste

| | |
|--|--|
| GRI 3: Material topics 2021 | |
| 3-3 Management of material topics | As we continue to navigate the integration process with Evoqua, we remain focused on evaluating synergies and assessing their implications on our internal management practices concerning material topics, including respective oversight, policies, and commitments. This evaluation will inform updates to our reporting on internal management practices moving forward. |
| GRI 306: Waste 2020 | |
| 306-1 Waste generation and significant waste-related impacts | See "Waste management" (p. 33). In August 2023, an incident occurred in our Bridgeport, NJ facility involving a spill related to on-site activities. Approximately 100 gallons of diesel fuel leaked from an operating pump, with some of it entering a nearby lagoon. Upon discovery, immediate actions were taken, including notifying local authorities and engaging emergency response teams. The fire department and contractors hired by Xylem promptly cleaned up the spill. Also see our remediation activities in "Environmental Regulations" in the 2023 10-K Form (p.12). |
| 306-2 Management of significant waste-related impacts | See "Waste management" (p. 33). Also see our remediation activities in "Environmental Regulations" in the 2023 10-K Form (p.12). |
| 306-3 Waste generated | See "Waste management" (p. 33). |
| 306-4 Waste diverted from disposal | See "Waste management" (p. 33). |
| 306-5 Waste directed to disposal | See "Waste management" (p. 33). |

GRI Content Index – continued

| GRI Standard / Other source | Response / location |
|------------------------------------|--|
| GRI 3: Material topics 2021 | |
| 3-3 Management of material topics | As we continue to navigate the integration process with Evoqua, we remain focused on evaluating synergies and assessing their implications on our internal management practices concerning material topics, including respective oversight, policies, and commitments. This evaluation will inform updates to our reporting on internal management practices moving forward. |

| | |
|---|--|
| GRI 308: Supplier environmental assessment 2016 | |
| 308-1 New suppliers that were screened using environmental criteria | See "Supplier audits and risk management" (p. 53). |

Employment

| | |
|------------------------------------|--|
| GRI 3: Material topics 2021 | |
| 3-3 Management of material topics | As we continue to navigate the integration process with Evoqua, we remain focused on evaluating synergies and assessing their implications on our internal management practices concerning material topics, including respective oversight, policies, and commitments. This evaluation will inform updates to our reporting on internal management practices moving forward. |

| | |
|--|--|
| GRI 401: Employment 2016 | |
| 401-1 New employee hires and employee turnover | Voluntary employee turnover rate in 2023: 8.5% |

| | |
|--|---|
| 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | Our total rewards include comprehensive programs for compensation, benefits, recognition, learning and development, work-life integration, and corporate citizenship. Individual program components may differ by country, by location and/or by role. In the United States, where we closely monitor and analyze data related to these benefits, employees who work 30 or more hours per week are eligible for competitive benefits, including comprehensive health and wellness programs, telemedicine, disability and life insurances, paid time off, flexible work arrangements, employee assistance programs, adoption assistance and other offerings. Temporary or less-than-full-time employees are eligible for pro-rated paid time off and our retirement program after completing either 1,000 hours of service in a calendar year or 500 hours during each of three consecutive 12-month periods (only hours worked on or after January 1, 2023 count for eligibility purposes). Outside of the United States, the definition of full-time, temporary, or part-time employees can vary, as well as the differentiated benefits that may be provided in that given country. |
|--|---|

| | |
|----------------------|----------------------------------|
| 401-3 Parental leave | See "Parental leave" (p. 43-44). |
|----------------------|----------------------------------|

Labor/management relations

| | |
|------------------------------------|--|
| GRI 3: Material topics 2021 | |
| 3-3 Management of material topics | As we continue to navigate the integration process with Evoqua, we remain focused on evaluating synergies and assessing their implications on our internal management practices concerning material topics, including respective oversight, policies, and commitments. This evaluation will inform updates to our reporting on internal management practices moving forward. |

| | | |
|--|---|---|
| GRI 402: Labor/management relations 2016 | | |
| 402-1 Minimum notice periods regarding operational changes | <p>Exceptional circumstances, including operational change or other planned measures or activities based on unexpected developments and affecting the interests of the employees to a considerable extent are communicated and minimum notice periods given according to our various union, collective bargaining, and work council agreements. Topics requiring notice include:</p> <ul style="list-style-type: none"> • Mergers or splitting of companies or production facilities • Relocation of companies, production facilities (or significant parts thereof), and relocation of production • Cut-back or closure of companies, production facilities (or significant parts thereof), and • Collective redundancies. | <p>Under the European Works Council, additional information and consultation applies to the following matters:</p> <ul style="list-style-type: none"> • Structure of Xylem and its economic and financial situation, • Anticipated development of the business, including its production and sales levels, • Employment situation and its anticipated development that are significant, including organizational changes, • Significant EHS, Ethics and Compliance matters, • Investment priorities in the business, • Introduction of new working and production procedures. |

Occupational health and safety

| | |
|------------------------------------|--|
| GRI 3: Material topics 2021 | |
| 3-3 Management of material topics | As we continue to navigate the integration process with Evoqua, we remain focused on evaluating synergies and assessing their implications on our internal management practices concerning material topics, including respective oversight, policies, and commitments. This evaluation will inform updates to our reporting on internal management practices moving forward. |

| | |
|--|--|
| GRI 403: Occupational health and safety 2018 | |
| 403-1 Occupational health and safety management system | Xylem holds itself to the high standards required to meet the International Organization for Standardization (ISO), and Occupational Health and Safety Assessment Series (OHSAS) certification. 11 of our global manufacturing facilities and one office and 11 sales facilities are OHSAS 18001 certified for health and safety management. See more information in "Health and safety" (p. 51-52). |

| | |
|---|---|
| 403-2 Hazard identification, risk assessment and incident investigation | Our facilities track safety performance according to the number of OSHA recordables per site, the injury frequency rate per 100 employees, a near miss incident rate, number of fatalities, and the Risk Reduction Index (RRI). |
|---|---|

| GRI Standard / Other source | Response / location |
|---|---------------------|
| Occupational health and safety – continued | |

| | |
|------------------------------------|---|
| 403-3 Occupational health services | Our Occupational Health and Safety strategy centers around prevention, emphasizing proactive measures aimed at risk prevention, early intervention, and continuous improvement, and extends to every facet of our operations, including promoting employees' physical and mental well-being. Our comprehensive health and safety training programs equip employees to identify and mitigate workplace hazards. We also offer resources such as health screenings, counseling, and stress management workshops, ensuring access to comprehensive support services for our employees. |
|------------------------------------|---|

| | |
|---|--|
| 403-4 Worker participation, consultation, and communication on occupational health and safety | We believe safety is a collective responsibility and prioritizes active worker participation in our occupational health and safety management system. Our mechanisms include regular safety meetings, toolbox talks, concern reporting, and safety committees, where employees contribute insights and collaborate on solutions. These committees, comprised of both management and workers, meet regularly to discuss occupational health and safety matters, review safety performance, and propose improvements to actively shape occupational health and safety policies and procedures. Additionally, our communication channels such as ongoing training, email updates, signage, and safety bulletins provide readily accessible information for all employees. |
|---|--|

| | |
|---|---|
| 403-5 Worker training on occupational health and safety | See "Health and safety training" (p. 51). |
|---|---|

| | |
|----------------------------------|--|
| 403-6 Promotion of worker health | See "Health and safety training" (p. 51), "WASH access for employees" (p. 52), and "Employee benefits" (p. 43-44). |
|----------------------------------|--|

| | |
|---|---|
| 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | See "Contractor safety management" (p. 52), and "Product safety" (p. 37). |
|---|---|

| | |
|-----------------------------|--|
| 403-9 Work-related injuries | See "Safety performance" (p. 51), and "Datasheet" (p. 76). |
|-----------------------------|--|

Training and education

| | |
|------------------------------------|--|
| GRI 3: Material topics 2021 | |
| 3-3 Management of material topics | As we continue to navigate the integration process with Evoqua, we remain focused on evaluating synergies and assessing their implications on our internal management practices concerning material topics, including respective oversight, policies, and commitments. This evaluation will inform updates to our reporting on internal management practices moving forward. |

| | |
|---|---|
| GRI 404: Training and education 2016 | |
| 404-1 Average hours of training per year per employee | We recorded 16.75 formal learning hours per employee in 2023. |

| | |
|---|--|
| 404-2 Programs for upgrading employee skills and transition assistance programs | See "Developing a talent pipeline" (p. 42), and "Further diversifying our workforce – Programs" (p. 47). |
|---|--|

Diversity and equal opportunity

| | |
|------------------------------------|--|
| GRI 3: Material topics 2021 | |
| 3-3 Management of material topics | As we continue to navigate the integration process with Evoqua, we remain focused on evaluating synergies and assessing their implications on our internal management practices concerning material topics, including respective oversight, policies, and commitments. This evaluation will inform updates to our reporting on internal management practices moving forward. |

| | |
|--|---|
| GRI 405: Diversity and equal opportunity 2016 | |
| 405-1 Diversity of governance bodies and employees | See "DEI in numbers" (p. 45-46), and "Board diversity" (p. 46). |

Supplier social assessment

| | |
|------------------------------------|--|
| GRI 3: Material topics 2021 | |
| 3-3 Management of material topics | As we continue to navigate the integration process with Evoqua, we remain focused on evaluating synergies and assessing their implications on our internal management practices concerning material topics, including respective oversight, policies, and commitments. This evaluation will inform updates to our reporting on internal management practices moving forward. |

| | |
|--|---|
| GRI 414: Supplier social assessment 2016 | |
| 414-1 New suppliers that were screened using social criteria | See "Human rights in our supply chain" (p. 39). |

Customer health and safety

| | |
|------------------------------------|--|
| GRI 3: Material topics 2021 | |
| 3-3 Management of material topics | As we continue to navigate the integration process with Evoqua, we remain focused on evaluating synergies and assessing their implications on our internal management practices concerning material topics, including respective oversight, policies, and commitments. This evaluation will inform updates to our reporting on internal management practices moving forward. |

| | |
|--|-------------------------------|
| GRI 416: Customer health and safety 2016 | |
| 416-1 Assessment of the health and safety impacts of products and services | See "Product safety" (p. 37). |

| | |
|--|-------------------------------|
| 416-2 Incidents of noncompliance concerning the health and safety impacts of products and services | See "Product safety" (p. 37). |
|--|-------------------------------|

SASB

Company-specific (non GRI) disclosures

| Strategic partnerships | | |
|--|--|--|
| GRI 3: Material topics 2021 | 3-3 Management of material topics | As we continue to navigate the integration process with Evoqua, we remain focused on evaluating synergies and assessing their implications on our internal management practices concerning material topics, including respective oversight, policies, and commitments. This evaluation will inform updates to our reporting on internal management practices moving forward. |
| SASB IF WU | 440a.3 Discussion of strategies to manage risks associated with the quality and availability of water | See "Community impact" (p. 56-63). |
| Climate change | | |
| GRI 3: Material topics 2021 | 3-3 Management of material topics | As we continue to navigate the integration process with Evoqua, we remain focused on evaluating synergies and assessing their implications on our internal management practices concerning material topics, including respective oversight, policies, and commitments. This evaluation will inform updates to our reporting on internal management practices moving forward. |
| SASB IF WU | 450a.4 Description of efforts to identify and manage risks and opportunities related to the impact of climate change | See "Impact on the environment" (p. 26-37). |
| Business transformation | | |
| GRI 3: Material topics 2021 | 3-3 Management of material topics | As we continue to navigate the integration process with Evoqua, we remain focused on evaluating synergies and assessing their implications on our internal management practices concerning material topics, including respective oversight, policies, and commitments. This evaluation will inform updates to our reporting on internal management practices moving forward. |
| Connected products (e.g., data security, privacy and intellectual property protection) | | |
| GRI 3: Material topics 2021 | 3-3 Management of material topics | See "Intellectual property" (p. 68). |
| SASB IF WU | TC0401 15 Number of patent litigation cases, number successful, and number as patent holder | See "Intellectual property" (p. 68). |
| Company-specific disclosure | Number of patents and/or trademarks filed/pending/awarded/rejected | As we continue to navigate the integration process with Evoqua, we remain focused on evaluating synergies and assessing their implications on our internal management practices concerning material topics, including respective oversight, policies, and commitments. This evaluation will inform updates to our reporting on internal management practices moving forward. |
| Connected products (e.g., data security, privacy and intellectual property protection) | | |
| GRI 3: Material topics 2021 | 3-3 Management of material topics | As we continue to navigate the integration process with Evoqua, we remain focused on evaluating synergies and assessing their implications on our internal management practices concerning material topics, including respective oversight, policies, and commitments. This evaluation will inform updates to our reporting on internal management practices moving forward. |
| SASB IF WU | 420a.2 Customer water savings from efficiency measures, by market | See "Product sustainability" (p. 36-37). |

Additional SASB Metrics

SASB Index – Industrial Machinery & Goods- Accounting Metrics

| Topic | SASB Code | Accounting Metric | Category | Unit of Measure | 2023 Response |
|--------------------------|--------------|--|-------------------------|---------------------|---|
| Energy management | RT-IG-130a.1 | (1) Total energy consumption (2) Percentage grid electricity (3) Percentage renewable energy | Quantitative | Gigajoules (GJ) | (1) 1,947,620 (2) 35% (3) 28% |
| Employee health & safety | RT-IG-320a.1 | (1) Total recordable incident rate (TRIR) (2) Fatality rate (3) Near miss frequency rate | Quantitative | Percentage (%) Rate | (1) 0.61 (2) 0.00 (3) 10.20 |
| Materials sourcing | RT-IG-440a.1 | Description of the management of risks associated with the use of critical materials | Discussion and analysis | n/a | Please see "Conflict minerals management" (p. 54), and our Conflict Mineral Policy Statement. |

World Economic Forum Sustainable Value Creation Core Metrics and Disclosures

| Principles | Core metrics and disclosures | Sources |
|--|---|---|
| Governance | | |
| Governing purpose | Setting purpose The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders. | GRI 2-12 |
| Quality of governing body | Governance body composition Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation. | GRI 2-9 GRI 405-1a 2024 Proxy Statement |
| Stakeholder engagement | Material issues impacting stakeholders A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged. | GRI 2-12 GRI 2-29 GRI 3-2 |
| Ethical behavior | Anti-corruption 1. Total percentage of employees who have received training on the organization's anti-corruption policies and procedures 2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption. Protected ethics advice and reporting mechanisms A description of internal and external mechanisms for: 1. Seeking advice about ethical and lawful behaviour and organizational integrity; and 2. Reporting concerns about unethical or unlawful behaviour and lack of organizational integrity. | GRI 205-2 GRI 205-3 Code of Conduct GRI 2-26 Code of Conduct |
| Risk and opportunity | Integrating risk and opportunity into business process Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship. | N/A |
| Planet | | |
| Climate change | Greenhouse gas (GHG) emissions For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO ₂ e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate. TCFD implementation Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C – and to achieve net-zero emissions before 2050. | GRI 305:1-3 GRI 305-3 TCFD report |
| Freshwater availability | Water consumption and withdrawal in water-stressed areas Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool. | GRI 303-5 |
| People | | |
| Dignity and equality | Diversity and inclusion (%) Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity). Wage level (%) Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO. Risks for incidents of child, forced or compulsory labour An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. | GRI 405-1b GRI 2-21, 2024 Proxy Statement (p. 64) GRI 408-1b, GRI 409-1, Modern Slavery Statement |
| Health and well being | Health & safety (%) The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked. | GRI 403-9a&b GRI 403-6a |
| Skills for the future | Training provided (#) Average hours of training per person that the organization's employees have undertaken during the reporting period (total number of hours of training provided to employees divided by the number of employees). | GRI 404-1 |
| Prosperity | | |
| Employment and wealth generation | Absolute number and rate of employment 1. Total number and rate of new employee hires during the reporting period. 2. Total number and rate of employee turnover during the reporting period. Economic contribution Direct economic value generated and distributed (EVG&D), on an accruals basis, covering the basic components for the organization's global operations, ideally split out by: – Revenues – Operating costs Financial investment contribution 1. Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy. 2. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders. | GRI 401-1A&B U.S. GAAP 2023 Xylem 10-K , Results of operations (p. 42) 2023 Xylem 10-K , Capital expenditures (p. 41), Liquidity and capital resources (p. 53) |
| Innovation of better products and services | Total R&D expenses (\$) Total costs related to research and development. | 2023 Xylem 10-K , Operating expenses (p. 46) |

United Nations Global Compact Principles

Human rights

| | |
|---|---|
| Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and | Human rights Modern Slavery Statement Human Rights Statement Code of Conduct Business Partner Code of Conduct |
| Principle 2: make sure that they are not complicit in human rights abuses. | Human rights Modern Slavery Statement Human Rights Statement Code of Conduct Business Partner Code of Conduct |

Labor

| | |
|---|---|
| Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; | Employee representation |
| Principle 4: the elimination of all forms of forced and compulsory labor; | Human rights Modern Slavery Statement Human Rights Statement Code of Conduct Business Partner Code of Conduct |
| Principle 5: the effective abolition of child labor; and | Human rights Modern Slavery Statement Human Rights Statement |
| Principle 6: the elimination of discrimination in respect to employment and occupation. | Human rights Talent management Diversity, equity, and inclusion Code of Conduct Business Partner Code of Conduct |

Environment

| | |
|--|--|
| Principle 7: Businesses should support a precautionary approach to environmental challenges; | Sustainability at Xylem Impact on the environment TCFD report |
| Principle 8: undertake initiatives to promote greater environmental responsibility; | Sustainability at Xylem Impact on the environment Our business Innovation Political engagement Climate Action Plan |
| Principle 9: encourage the development and diffusion of environmentally friendly technologies. | Sustainability at Xylem Product sustainability Our business Innovation |

Anti-corruption

| | |
|--|--|
| Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery. | Ethics and compliance Code of Conduct Business Partner Code of Conduct |
|--|--|

Assurance





LRQA Independent Assurance Statement

Relating to Xylem, Inc. Environmental and Social Metrics for Calendar Year 2023 and Fourth Quarter Calendar Year 2022

This Assurance Statement has been prepared for Xylem, Inc. in accordance with our contract.

Terms of Engagement

LRQA was commissioned by Xylem, Inc. (Xylem) to provide independent assurance on its greenhouse gas (GHG) Emissions, Energy Use Inventories, Water Withdrawn Inventories, Waste Inventories and Injury & Illness metrics (“the Report”) for the Calendar Year 2023, and fourth quarter 2022, against the assurance criteria below to a limited level of assurance using LRQA’s verification procedure and ISO 14064 - Part 3 for greenhouse gas data. LRQA’s verification procedure is based on current best practise and is in accordance with ISAE 3000 and ISAE 3410.

Our assurance engagement covered Xylem’s operations and activities globally and specifically the following requirements:

- Verifying conformance with:
 - Xylem EHSS Metric Reporting EHS-01.15 Effective 2/10/2023; and
 - World Resources Institute / World Business Council for Sustainable Development Greenhouse Gas Protocol: A corporate accounting and reporting standard, revised edition (otherwise referred to as the WRI/WBCSD Protocol) for the GHG data¹
- Evaluating the accuracy and reliability of data and information for only the selected indicators listed below:
 - Direct (Scope 1), Energy Indirect (Scope 2) and Other Indirect (Scope 3) GHG emissions;
 - Scope 3 GHG emissions verified by LRQA include the following: purchased goods and services, waste generated and business travel emissions;
 - Energy use;
 - Water Withdrawn inventory (including surface water, groundwater and third-party water);
 - Waste Generated inventory (including hazardous and non-hazardous waste); and
 - Injury and Illness metrics: Total Recordable Rate, Days Away from Work Rate and Severity Rate.

Xylem acquired Evoqua in 2023. Processes for collecting and calculating calendar year 2023 Scope 1 emissions and Scope 2 emissions and other EHS data were separate for both organizations. LRQA verified data for both legacy Xylem and legacy Evoqua independently. Scope 3 emissions were collected and calculated collectively for both organizations and are inclusive of both legacy Xylem and Evoqua facilities. This is consistent with Xylem reporting externally.

Except for the Scope 3 categories mentioned above, our assurance engagement excluded the data and information of Xylem’s suppliers, contractors and any third-parties mentioned in the report. It also excluded legacy Evoqua’s “Small Sites” which included 110 sites defines as such per the following criteria: small branches without notable headcount, no manufacturing/industrial processes, no major water usage, and no major waste generation.

LRQA’s responsibility is only to Xylem. LRQA disclaims any liability or responsibility to others as explained in the end footnote. Xylem’s responsibility is for collecting, aggregating, analysing and presenting all the data and information

¹ <http://www.ghgprotocol.org/>



within the Report and for maintaining effective internal controls over the systems from which the Report is derived. Ultimately, the Report has been approved by, and remains the responsibility of Xylem.

LRQA’s Opinion

Based on LRQA’s approach nothing has come to our attention that would cause us to believe that Xylem has not, in all material respects:

- Met the requirements of the criteria listed above; and
- Disclosed accurate and reliable performance data and information as summarized in Tables 1 and 2 below.

The opinion expressed is formed on the basis of a limited level of assurance² and at the materiality of the professional judgement of the verifier.

Table 1. Summary of Xylem Key Data for Calendar Year 2023 and legacy Evoqua 4th Quarter 2022:

| Scope of GHG emissions Tonnes CO ₂ e | Legacy Xylem 2023 | Legacy Evoqua 2023 | Legacy Evoqua 4 th Quarter 2022 |
|---|----------------------|-----------------------|--|
| Scope 1 GHG emissions | 37,225 | 38,996 | 11,025 |
| Scope 2 GHG emissions (Location-based) ¹ | 40,517 | 12,187 | 3,215 |
| Scope 2 GHG emissions (Market-based) ¹ | 5,585 | 12,687 | 3,356 |
| Scope of Energy Use Megawatt hours | Legacy Xylem 2023 | Legacy Evoqua 2023 | Legacy Evoqua 4 th Quarter 2022 |
| Total Energy Use (direct and indirect) | 335,936 | 205,071 | 58,906 |
| Scope of Water Withdrawn Inventory Mega Litres | Legacy Xylem 2023 | Legacy Evoqua 2023 | Legacy Evoqua 4 th Quarter 2022 |
| Global Water Use (surface water ³ , ground water and third party provided water) | 297.1 | 2,259.4 | 548.5 |
| Scope of Waste Generated Inventory Tonnes | Legacy Xylem 2023 | Legacy Evoqua 2023 | Legacy Evoqua 4 th Quarter 2022 |
| Global Waste Generated (hazardous and non-hazardous) | 38,974 | 17,432 | 4,400 |

² The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

³ Evoqua does not use surface water.



| Scope of Injury and Illness Metrics Per 200,000 work hours (100 employees) | Legacy Xylem 2023 | Legacy Evoqua 2023 | Legacy Evoqua 4th Quarter 2022 |
|---|-------------------|--------------------|--------------------------------|
| Injury or Illness Rate (recordable injury illness cases*200,000 hours/work hours) | 0.54 | 0.85 | 0.60 |
| Days Away from Work Rate (days away from work cases*200,000 hours/work hours) | 0.33 | 0.34 | 0 |
| Severity Rate (days away from workdays*200,000 hours/work hours) | 19.2 | 4.05 | 0 |

Note 4: Scope 2, Location-based and Scope 2, Market-based are defined in the GHG Protocol Scope 2 Guidance, 2015.
 Note 5: Xylem acquired Evoqua in 2023. For CY 2023 Xylem and Evoqua collected, and calculated Scope 1 and 2 emissions and other EHS data through separate processes and reported separately. For Scope 3 emissions data is combine for both legacy Xylem and Evoqua facilities.

Table 2. Summary of Combined Xylem and Evoqua Scope 3 GHG Emissions for Calendar Year 2023

| Scope of GHG emissions Metric Tons CO ₂ e | Company Total |
|--|---------------|
| Scope 3 GHG emissions Category 1: Purchased Goods and Services ¹ | 869,020 |
| Scope 3 GHG emissions Category 5: Waste Generated in Operations ² | 14,546 |
| Scope 3 GHG emissions Category 6: Business Travel ³ | 31,518 |

Note 1 Scope 3 emissions calculated using EEIO v1.2 factors in CO₂e (Published using IPCC AR4).
 Note 2: Emissions from Waste Generated in Operations consists of landfilled, incinerated, recycled and treated wastewater. Includes hazardous and non-hazardous waste streams.
 Note 3 Business Travel Emissions consist of emissions from travel by air, rail, motor vehicle, boat, and emissions from hotel stays.

LRQA’s Approach

LRQA’s assurance engagements are carried out in accordance with our verification procedure. The following tasks were undertaken as part of the evidence gathering process for Xylem, inclusive of legacy Xylem and legacy Evoqua, assurance engagement:

- Reviewed an overview of the processes used at the corporate level for the management of data and information related to the Scope 1, Scope 2, and Scope 3 GHG emissions; water withdrawn; waste generated; and injury and illness rates;
- Interviewed relevant staff responsible for managing and maintaining data and information and for preparing the Report at the corporate level;
- Reviewed Xylem’s procedure for defining and collecting Scope 1, Scope 2, Scope 3 GHG emissions, water withdrawn, waste generated data and injury and illness data;
- Verified the Scope 1, Scope 2 and Scope 3 GHG emissions, water withdrawn, waste generated and injury and illness data for CY 2023 and fourth quarter 2022 for Evoqua through a review of aggregated level data and information calculation spreadsheets provided by Xylem;
- Verified the Scope 2 renewable energy credits (RECs) and renewable energy use through review of the REC certificates invoices for renewable energy and verification of the emission calculations; and
- Confirmed Xylem has documented their base year and cases which trigger base year recalculation. CY 2023 triggers a base year recalculation and Xylem’s new base year is 2023.



LRQA’s Standards, Competence and Independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021 Conformity assessment – Requirements for bodies providing audit and certification of management systems that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

Signed

Dated: May 17, 2024

Andrea M. Bockrath
 LRQA Lead Verifier
 On behalf of LRQA Inc.
 2102 CityWest Blvd.,
 Houston, Texas 88077

LRQA reference: UQA00000935

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xylem

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