# xylem



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# About this report

The 2024 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. The term "material" or "materiality," as used in this report, is based on a different definition of materiality than that used in the U.S. federal securities laws.

This report, published in April 2025, encompasses our fiscal year from January 1, 2024 to December 31, 2024, for all entities under Xylem's operational control.<sup>1</sup>

It was prepared with reference to the GRI Sustainability Reporting Standards. We also integrated disclosures in accordance with the standards of the Sustainability Accounting Standards Board (SASB).

Selected data on key performance indicators is subject to limited assurance by Lloyd's Register Quality Assurance (LRQA) and can be found on pages <u>94–95</u>.

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

## **Forward-looking statements**

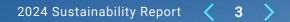
The statements included in this document and the materials or websites it may crossreference regarding future performance and results, expectations, plans, strategies, priorities, commitments, and other statements, including those related to our societal, environmental, and other sustainability goals, that are not historical facts are forward-looking statements within the meaning of the U.S. federal securities laws. Generally, the words "anticipate," "estimate," "expect," "project," "intend," "plan," "contemplate," "predict," "forecast," "likely," "believe," "target," "will," "could," "would," "should," "potential," "may" and similar expressions or their negative, may, but are not necessary to, identify forward-looking statements.

Forward-looking and other statements included or cross-referenced in this document 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, or to our impacts on sustainability matters or other parties, or are required to be disclosed in our filings with the Securities and Exchange Commission or other regulatory authorities, and are not intended to create legal rights or obligations. 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; third-party data, review, representations, or certifications; information from acquired entities, which may be subject to ongoing review, may not yet or ever be integrated into our reporting processes, and may not be reconcilable with our processes; 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 are difficult to predict, often beyond our control, and that could cause actual results to differ materially from the forward-looking statements. Although we believe that the expectations reflected in any of our forwardlooking statements are reasonable, actual results could differ materially from those projected or assumed in any of our forwardlooking statements. A detailed discussion of risks and uncertainties that could cause actual results and events to differ materially from such forward-looking statements is provided in "Item 1A. Risk Factors" in our Annual Report on Form 10-K, and include changes in legal and regulatory requirements, business conditions, and stakeholder expectations. 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 forwardlooking statements, whether as a result of new information, future events, or otherwise, and despite any historical practice of doing so. The information and statements in this document speak only as of the date of this document and are subject to change without notice.

<sup>1</sup> In the fourth quarter of 2024, Xylem announced the acquisition of a majority stake in Global Omnium Idrica, S.L. ("Idrica") and the acquisition of Heusser Water Solutions AG. Due to the timing of these transactions, their sustainability data will not be included in Xylem's 2024 Sustainability Report but will be fully integrated into the 2025 reporting cycle.





# A sustainability advantage to Xylem and our customers

# Dear stakeholders,

Water is the foundation of healthy communities, resilient economies, and thriving ecosystems. But that foundation is under mounting stress. Water is becoming scarcer, weather patterns are becoming more volatile, and contaminants continue to threaten the safety and guality of our drinking water. These intensifying water challenges call for urgent action to safeguard our communities, serve as a catalyst for prospering economies, and secure reliable access to clean water for generations to come.

We see these challenges as an opportunity to create lasting impact. We know what's possible when we collaborate with our customers and communities to turn water challenges into progress. That is why sustainability is embedded in our business strategy. It powers innovation, growth, and resilience. Better sustainability outcomes make Xylem more competitive and deliver tangible value to the people who make water work every day.

### 2024: A year of impact

In 2024, we maintained our focus where we have the greatest impact: conducting our business responsibly and empowering our customers and communities to become more water-secure. This year marked significant milestones in our sustainability journey:

#### Progress on our product-based Customer

Sustainability Goals: We delivered on all four of our 2025 Customer Sustainability Goals ahead of schedule. The completion of our final goal - reducing non-revenue water by more than 3.5 billion cubic meters since 2019 – underscores the synergy between sustainability outcomes and customer value. Reducing energy use and water loss helps customers lower operating costs, make infrastructure more efficient and affordable, lower energy and emissions, and strengthen resilience against climate-related risks.

#### Enhancing our advanced analytics offering:

In December, we acquired a majority stake in Idrica, strengthening our Xylem Vue digital suite with advanced analytics. This investment empowers customers with real-time insights to reduce water loss, optimize performance, and cut costs while helping utilities build smarter, more resilient, and sustainable water systems.

Supporting our people: With the integration of legacy Evoqua, a refreshed strategy, and a strengthened leadership team, we have fostered a High-Impact Culture built on three core behaviors - inspired to innovate, empowered to lead, and accountable to deliver - driving us to move faster, stay focused, and execute with greater impact for our customers and communities.

#### Advancing in our safety performance:

Our continued focus on workplace safety resulted in a more than 14% year-over-year improvement in our injury frequency rate, demonstrating our commitment to employee well-being while driving operational efficiency.

#### Driving community impact: Through

Watermark, our corporate social responsibility program, 79% of Xylem colleagues volunteered more than 220,000 hours, doing meaningful work in communities worldwide. Alongside our global nonprofit partners, we responded to 43 disasters, delivering humanitarian aid including pro-bono emergency water treatment and dewatering solutions – during crises in Brazil, India, the Philippines, the United States, Poland, and Spain.

#### Investing in water access and climate

resilience: We joined WaterEquity's Water & Climate Resilience Fund as a strategic investor, supporting projects and growth companies across the water value chain including bulk water supply, distribution, wastewater treatment, and reuse. At full scale, the fund aims to provide safe water or sanitation access to 15 million people across Africa, Asia, and Latin America.

#### Continuing to drive energy efficiency and

emission reductions: In December, our 2030 science-based targets were validated by the Science Based Targets initiative, affirming our commitment to reducing GHG emissions in our operations and value chain.

### Looking ahead to 2030

As we look forward, we will continue to provide innovative solutions and services that help our customers to meet their objectives and to deliver clean water, treat wastewater, lower operational risk and cost, and protect public health in their communities.

Our 2030 Sustainability Goals launched in May 2024 set a higher bar for impact, focusing on reducing water-related emissions, enhancing water reuse, and expanding equitable access to water and sanitation. These goals reflect our ambition to be a catalyst for change across the water industry and position us to help build a future where people and nature thrive.

A water-secure future is possible. But it will take bold ideas, deep collaboration, and unwavering commitment. The Xylem team around the world is proud of the work we do to empower our customers and communities to build a more water-secure world.

Thank you for your continued trust and partnership.

Matthew Pine President & Chief Executive Officer

Claudia Tra A

**Claudia Toussaint** Chief Sustainability Officer





# 2024 highlights



# Science-based targets approved

The Science Based Targets initiative approved Xylem's 2030 science-based targets in December 2024.



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# New 2030 Sustainability Goals

We announced our new 2030 Sustainability Goals aimed at accelerating water stewardship and advancing water security.



# All four 2025 Customer Sustainability Goals achieved

Having previously achieved three of four 2025 Customer Sustainability Goals, we delivered the fourth in 2024 – enabling customers to reduce more than 3.5 billion cubic meters of nonrevenue water since 2019. Completing all 2025 Customer Goals ahead of schedule is a great milestone for Xylem and underscores our capability to enable customers to lower GHG emissions, reduce water demand, and protect water resources.



# Employee volunteerism

79% of our ~23,000 employees volunteered more than 220,000 hours for Watermark, our corporate social responsibility program, impacting communities worldwide.



# Sustainable supply chain

42% of our global supplier base by spend completed EcoVadis assessment and maintained an active scorecard.



# Enabled WASH access for 9+ million people in 5 years with Americares

Through our partnership, we have improved access to WASH services in 25 countries, with a focus on improving water, sanitation and hygiene in community health centers that serve people living with low incomes, in low-resource communities — those who are most affected by disease and disaster.





# **Improved safety YoY**

We achieved an injury frequency rate of 0.52, which is an improvement of more than 14% compared to 2023.

# Empowering digitalization of water

In December, Xylem acquired a majority stake in Idrica, a leading provider of water data management and analytics solutions. This strategic move, which combines Xylem's existing digital water solutions portfolio with Idrica's technology platform, empowers customers to address critical challenges with real-time insights. The combination enables a simpler, more powerful customer experience.

# **About Xylem**

Xylem is a leading global water solutions company dedicated to advancing sustainable impact and empowering the people who make water work every day.

Xylem connects diverse capabilities and innovative technologies to provide tailored solutions across the entire water cycle. From moving, treating, and measuring water to optimizing and maintaining water systems, our approximately 23,000 colleagues worldwide collaborate with customers to solve their most critical challenges. Together, through partnerships with utilities, industrial manufacturers, building operators, and communities, we are building a more watersecure world.

~23,000 employees

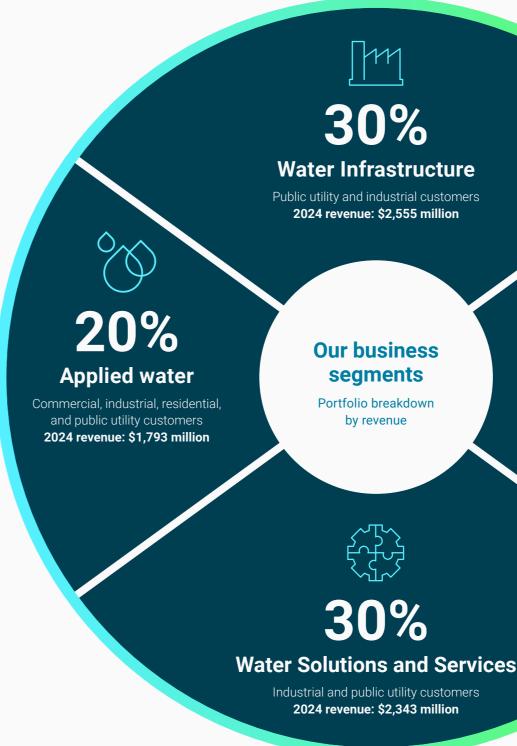
**100+ years** of product excellence

~150 countries

Serving customers

>\$230M invested in research and development in 2024

\$8,562M in total revenue in 2024



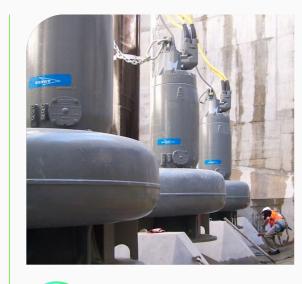
# 20%

# **Measurement and Control Solutions**

Water, gas, and electric utility and industrial customers 2024 revenue: \$1,871 million

## xylem





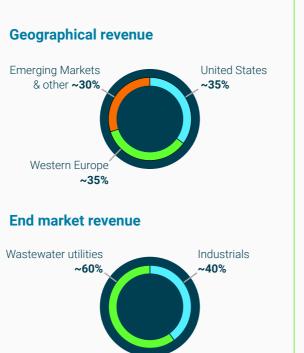
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## **Our business segments**

Four strategic segments with products and solutions to move, treat, and measure water and optimize and maintain water systems.



Water Infrastructure provides essential solutions to transport, treat, and manage water throughout the entire water cycle. We serve public utility and industrial customers with integrated products and systems, including water and wastewater pumps, filtration, biological treatment, disinfection systems, and advanced digital solutions for enhanced performance and efficiency.





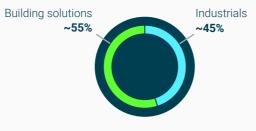
**Applied** Water

Applied Water provides flow control solutions to minimize water and energy usage while maximizing efficiency. We primarily serve commercial, industrial, residential, and public utility customers, providing pumps, heat exchangers, valves, and controls. These solutions are designed for process water circulation, heating and cooling systems, pressure boosting, potable water, and wastewater applications.

#### **Geographical revenue**



#### End market revenue







# **Measurement and Control Solutions**

Measurement and Control Solutions provides intelligent solutions that enhance operational efficiency through advanced sensing, communications, and data management technologies. We serve water, gas, and electric utilities and industrial customers, offering cutting-edge smart metering, quantitative and qualitative measurement capabilities, and data management solutions.

#### **Geographical revenue**



# 2024 Sustainability Report 🧹 7 📏







# **Water Solutions** and Services

Water Solutions and Services provides tailored services and innovative solutions designed to deliver measurable outcomes. We serve industrial and public utility customers with integrated treatment systems for clean water, process water, and wastewater, pumping solutions for moving water and wastewater, and solutions for assessing and optimizing water distribution networks.



About Xylem (Sustainability at Xylem)

Impact on the environment

Appendix

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# Sustainability at Xylem

Sustainability is at the core of our business strategy, reflecting our belief that advancing environmental stewardship and contributing to a more resilient society go hand in hand with financial success.

As water challenges - from scarcity to emerging contaminants - intensify, communities and businesses worldwide are increasingly prioritizing water security, focusing on the access and stewardship of safe, affordable, and resilient water resources to support sustainably healthy communities and prosperous economies. We are uniquely positioned to support them on their journey, providing innovative solutions and services that empower our customers to deliver clean water, treat wastewater, and protect public health within their communities.

Customers in the water sector value sustainability as a competitive differentiator, and we are advancing our 2025 Goals and have set ambitious 2030 Goals to deliver even greater impact. By adapting to a changing world, expanding access to water solutions, and strengthening partnerships across our value chain, we aim to deliver on our commitments and accelerate progress toward a more sustainable and watersecure future for all.



# Driving impact, innovation, and growth

### **Supply Chain**

Collaborating with suppliers to build a responsible, resilient and transparent supply chain, while supporting their sustainability efforts.



### Operations

Operating with integrity, reducing our environmental impact, prioritizing health, safety and well-being, and fostering employee growth in a respectful and inclusive workplace.

#### **Product**

Delivering products that enable our customers to reduce their environmental impact, while upholding our commitment to product safety and lowering our product's environmental footprint.



#### **Customers**

Enabling our customers to reduce water scarcity and loss, while optimizing 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 globally through thought leadership, innovative solutions, technical expertise, community partnerships, and a commitment to youth education.

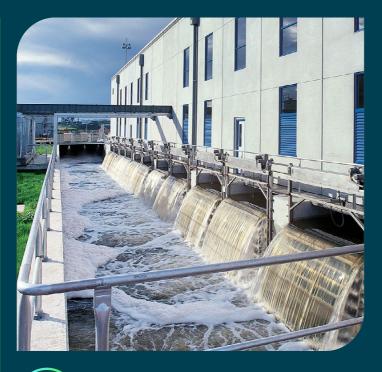






# Our impact

Across our value chain, we build strong partnerships committed to sustainability. By engaging customers, colleagues, suppliers, and other partners, we drive positive change and promote practices that support a resilient and responsible business ecosystem.



# Our customers

We collaborate with water operators, utilities, and users of water to tackle issues such as water scarcity, quality, availability, resilience, and affordability, enabling them to solve their water challenges with leading technology and services.

With our broad product portfolio and technical expertise, we help utilities in large cities and remote communities, alike, to optimize water systems, providing clean water and managing wastewater for a healthier environment. We also provide companies with the water quality solutions needed for industrial production processes and essential services.

# >3.7 billion m<sup>3</sup>

of non-revenue water has been reduced by our customers since 2019.

# >18.1 billion m<sup>3</sup>

of water has been treated for reuse by our customers since 2019.

# >10.7 billion m<sup>3</sup>

of polluted water has been prevented from flooding communities or entering local waterways by our customers since 2019.

# >6.4 million MT

of water's CO<sub>2</sub>e footprint has been reduced by our customers since 2019.





# Our company

We are committed to conducting our business with integrity, reducing our environmental impact, continuously enhancing product quality and sustainability, creating a thriving workplace that prioritizes safety and wellbeing, and fostering a respectful and inclusive environment.

19/21

Xylem's science-based targets in 2024.

of our major facilities are using 100% renewable energy, recycle 100% process water, and have achieved zero waste to landfill from processes as of end of 2024

SBTi validated

# 27%

of leadership positions were held by women in 2024.

# 16.4

learning hours averaged by our employees in 2024.







# Our communities

With our solutions, technical expertise, and strong community partnerships, we advance sustainability and water stewardship across communities. Our corporate social responsibility program, Watermark, works with nonprofit partners and volunteers – from colleagues to customers and partners - to provide access to clean water, sanitation, and education, supporting the development of resilient, water-secure communities.

Watermark strives to provide access to sufficient, safe, and affordable water resources. promoting well-being, prosperity, and long-term sustainability for both current and future generations.

## 79%

of our employees engaged in volunteer activities in 2024.

## 9.5 hours

was the average time our employees gave to volunteering activites in 2024.

## >12 million

people have received water education from us since 2019.

# 154

water-related natural disasters have been responded to by us since 2019.

#### xylem Sustainability at Xylem



# Combatting PFAS with proven water technologies

Per- and polyfluoroalkyl substances (PFAS) are widely used in various industrial and consumer products due to their resistance to water, oil, and heat. Found in items such as non-stick cookware. water-repellent clothing, and firefighting foams, PFAS are highly persistent in both the environment and the human body, earning them the nickname "forever chemicals."

With more than 4,700 substances in use, they are more than likely present in homes, workplaces, and the environment, often making their way into rainwater, soil, sediment, and drinking water, where they can be ingested by humans and animals.<sup>2</sup>

The World Economic Forum's Global Risks Report 2024 ranks pollution as the 10th most pressing threat to society, in both the short and long term. From 2018 to 2022, 51-60% of rivers, 11-35% of lakes, and 47-100% of transitional and coastal waters in Europe exceeded the annual average environmental quality standards for PFAS.<sup>3</sup> The U.S. Geological Survey estimates that at least 45% of tap water in the United States contains one or more types of PFAS.<sup>4</sup> Given its persistence and potential risk to human health, there is an urgent need to address PFAS contamination, particularly in drinking water.

Xylem has been addressing PFAS contamination for more than 10 years, completing more than 80 PFAS remediation projects in the United States for municipal and industrial customers. We offer a range of solutions to help mitigate the challenges of reducing PFAS levels in water.

Granular activated carbon, ion-exchange resins, and, in some cases, reverse osmosis, are some of the best available technologies for addressing PFAS contamination. These technologies effectively remove PFAS from drinking water, enabling water utilities to comply with regulatory requirements, improve water quality, and positively impact human health.

**Stratmoor Hills Water & Sanitation District** 

(SHWSD) in southern Colorado Springs has deployed selective ion exchange treatment to tackle the threat of two key PFAS compounds. By using selective single-use ion exchange technology, the utility has reduced

contaminants to levels below compliance limits, addressing water quality issues for its customers. Read more here.

Construction Simplified in Michigan detected PFAS in water being pumped out for a building foundation. The company swiftly deployed a mobile carbon filtration system that removed the PFAS to undetecable levels. Over a period of two months, the solution treated 21 million gallons (79,500 cubic meters) of water, returning clean water to the sanitary sewer system. Read more here.

Kennebunk, Kennebunkport & Wells Water District (KKWWD) in Maine took proactive action when PFAS were detected in one of its supply wells. Working with Xylem, KKWWD deployed a granular activated carbon system that has treated more than 200 million gallons of water to meet drinking water treatment goals. Read more here.

- a method to break down 'forever chemicals' in our drinking water
- European Environment Agency PFAS pollution in European waters (December 2024)
- United States Geological Service (USGS) Tap water study detects PFAS 'forever chemicals' across the US

"Xylem has been working on PFAS solutions for more than 10 years, deploying more than 80 PFAS remediation projects in the United States alone for municipal and industrial customers. We partner with our customers to talk through the situation and the conditions they face, and how we can best support them in mitigating the PFAS pollution and provide clean drinking water to their communities."

#### **Snehal Desai**

Xylem's Chief Growth and Innovation Officer





# Xylem's 2024 Sustainability Excellence Awards

At a time when water challenges are becoming increasingly urgent, our customers are demonstrating how technology can drive sustainable water management and environmental stewardship.

Xylem's 2024 Sustainability Excellence Awards recognized Spanish water utility Consorci d'Aigües de Tarragona (CAT) and US-based Mingo Aerospace for their pioneering approaches to tackling growing water challenges.

As industries and utilities confront these challenges, CAT and Mingo Aerospace exemplify how innovative digital solutions can drive meaningful environmental and public health benefits. Using digital twins for infrastructure monitoring and closedloop wastewater recycling systems, these organizations have significantly reduced their environmental footprint while enhancing reliability and efficiency and lowering costs – demonstrating that operational resilience and sustainability can go hand in hand.

Read more about our 2024 award winners here.

# Safeguarding a vital water supply in Catalonia, Spain

CAT delivers water to 850,000 people – a number that doubles in the summer due to tourism – and to key industries across Spain's water-stressed Catalonia region. In 2020, CAT faced a crisis when a major pipeline failure put critical services at risk. In response, the utility partnered with Xylem and deployed cutting-edge monitoring systems that provide real-time and predictive insights about the integrity of the pipe network.

The impact has been profound. CAT has prevented two catastrophic failures and numerous leaks, saving an estimated 6.6 million gallons (~25,000 cubic meters) of water annually — equivalent to more than 10 Olympic-sized swimming pools. By proactively maintaining its infrastructure, the utility has also cut operational costs by €1 million (~ \$1.090 million), reduced energy consumption, and lowered greenhouse gas emissions.

"The digital twin is helping improve service for our customers and supporting our sustainability goals. We have already prevented a pipe breakage that could have resulted in a 15-day outage for 800,000 people. By avoiding leaks and major outages, we minimize the risk of disruption to our community and businesses, while using less water and reducing emissions."

Marc Brunet President of Consorci d'Aigües de Tarragona







All images © Consorci dAigües de Tarragone







# Our strategic pillars

Three strategic sustainability pillars guide our actions to improve water security.

They address the greatest challenges our stakeholders face and highlight where Xylem and our solutions play a unique role in creating lasting, positive impact.



It is estimated that water use and management accounts for nearly 10% of global greenhouse gas emissions, with more than 2% stemming from water and wastewater utility operations. As a technology partner for water managers and users, we play a vital role in decarbonizing the water sector. This starts with our own commitment, including our science-based targets aimed at reducing Xylem's GHG emissions by 2030, and our goal to reach net-zero by 2050.

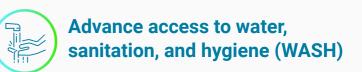
By driving net-zero initiatives and fostering collaboration across utilities and other key stakeholders, we empower the water sector to transition to reduce its greenhouse gas footprint.

# Accelerate corporate water stewardship

Access to reliable water resources remains a challenge for industries and businesses that depend on water for their operations. As global demand for water increases, so does the need for companies to adopt water strategies – often prioritizing water stewardship practices.

Our portfolio of technologies and services enables industrial water users to maintain reliable operations while minimizing their impact on water sources. At the same time, Xylem is enhancing water stewardship across our own value chain. oartr nsec Our c the i





To enable communities to achieve greater water security, we must address the needs of more than two billion people lacking access to clean drinking water and safe sanitation. We are committed to investing in communities and advancing smart solutions to help solve WASH access challenges. We are leveraging our cutting-edge technologies and strategic partnerships, with a focus on under-resourced and waterinsecure communities.

Our efforts prioritize climate-resilient solutions that mitigate the impacts of water scarcity, improve public health, and enable communities to thrive. Sustainability at Xylem

# Our sustainability goals

To reinforce our commitment to environmental and social responsibility, we set comprehensive and ambitious goals to center our focus and resources.

# 2025 Customer Sustainability Goals

**Progress:** In 2024, we achieved our fourth and final 2025 Customer Goal: enabling customers to reduce more than 3.5 billion cubic meters of non-revenue water since the beginning of 2019.

Completing all four 2025 Customer Goals ahead of schedule is a significant milestone for Xylem, highlighting our ability to enable our customers to reduce GHG emissions, lower water demand, and adopt proactive water management practices. We will continue to monitor and report on progress toward these goals through the end of 2025.

For further details, please explore our "Product sustainability" section on pages 43-45.

# Goal 1

Enable customers to reduce more than 3.5 billion cubic meters of non-revenue water



2024 update + 1.0 billion m<sup>3</sup> Progress to 2025 3.71 billion m<sup>3</sup> Goal exceeded

# Goal 3

Enable customers to prevent more than 7 billion cubic meters of polluted water from flooding communities or entering local waterways



2024 update + **2.29** billion m<sup>3</sup>

Progress to 2025 10.74 billion m<sup>3</sup> Goal exceeded

# Goal 2

Enable customers to treat more than 13 billion cubic meters of water for reuse



#### | 2024 update | **+ 4.79** billion m<sup>3</sup>

Progress to 2025 18.15 billion m<sup>3</sup> Goal exceeded

# 

Enable customers to reduce water's  $CO_2e$  footprint by more than 2.8 million metric tons



# 2024 update **+ 2.48** million metric tons

Progress to 2025 6.43 million metric tons Goal exceeded



# 2025 Company Sustainability Goals (Operations)

**Progress:** By the end of 2024, 19 of our 21<sup>5</sup> major facilities <sup>6</sup> had achieved at least one of the following goals: 100% process water recycling, zero waste to landfill, and 100% renewable energy. Of these, 16 major facilities had met all three goals.

# Goal 1

Use 100% renewable energy at our major facilities



**©** Goal **3** 

our major facilities

19

**©** Goal **5** 

Achieve zero waste to landfill from processes at

2024 update Added **1** new facility

Progress to 2025 **19**/21

# Goal 2

Use 100% process water recycling at our major facilities



2024 update Added **3** new facilities Progress to 2025

**19**/21

# Goal 4

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



2024 update Achieved

Progress to 2025 82% Goal exceeded

- <sup>5</sup> Slaton (Texas), USA, previously classified as a major facility, closed in 2023, reducing our total number of major facilities to 21.
- <sup>6</sup> Major facilities are defined as those 21 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 pages <u>83–86</u>.

Achieved

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

> 2024 update Achieved

2024 update

Added 2 new

Progress to 2025

facilities

**19**/21

Progress to 2025 Our 2030 science-based targets were validated by SBTi in December 2024<sup>7</sup>



# 2025 Company Sustainability Goals (Supply Chain)

Progress: In 2024, we implemented our 2025 **Company Sustainability Goals** for the supply chain into the legacy Evoqua business. As a result, the percentage of total spend appears lower compared to previous years. However, we continue to make progress toward achieving all our goals.

We also made notable improvements in our supplier disclosures and scores through CDP and EcoVadis and are proud of our suppliers' participation in the WASH4Work commitment, a key element of our social impact strategy. Additionally, we engaged with our suppliers in more than 100 Watermark events throughout the year.

# Goal 1

Require suppliers to disclose sustainability information via EcoVadis or equivalent



2024 update Included legacy Evoqua supply base Progress to 2025 42% of global spend

# **(a)** Goal **3**

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



2024 update Included legacy Evoqua supply base

Progress to 2025 38.4% of global spend

# **©** Goal **5**

# **©** Goal **2**

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

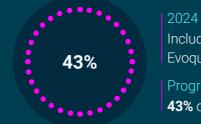


## 2024 update Included legacy Evoqua supply base

Progress to 2025 79% of high-impact suppliers identified

# **©** Goal **4**

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



2024 update Included legacy Evoqua supply base Progress to 2025 43% of global spend

Establish a Supplier Opportunity Program to attract small businesses and suppliers that reflect the broad spectrum of markets we serve, with a goal of 9.2% spend with qualified small or diverse suppliers in the United States



2024 update Included legacy Evoqua supply base

Progress to 2025 9.2% of U.S. spend **Goal achieved** 



# 2025 Company Sustainability Goals (Workplace)

Progress: In 2024, representation of women in leadership positions<sup>8</sup> increased by 2% compared to 2023. However, progress toward our U.S. minority leadership goal saw a slight decline in 2024.

We also saw a significant rise in average learning hours per employee, demonstrating our commitment to professional development. This increase reflects improved tracking of learning activities.

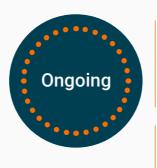
# Goal 1

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



2024 update Avg. 16.4 hours per employee

Progress to 2025 16.4/50



**O Goal 5** 

**©** Goal **2** 

100% of employees have access

home and during natural disasters

to clean water and safe sanitation at

2024 update Refined tracking and addition of legacy Evoqua employees

Progress to 2025 Continue to monitor for any gaps in access

# Goal 3 Goal 4 Goa

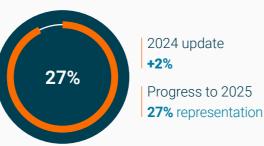
Reduce injury frequency to an incident rate of 0.5 or below

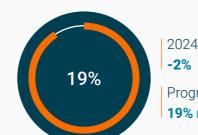


2024 update -14.75% Progress to 2025

# Goal 4

29% representation of women in leadership positions, through merit-based retention, promotion, and recruitment





promotion, and recruitment

21% minority representation in U.S. leadership

positions, through merit-based retention,

2024 update Progress to 2025 19% representation

# Goal 6

Conduct an annual pay equity assessment based on gender and U.S. minority classifications and make pay adjustments, as necessary, based on the results.



Progress to 2025 In 2024, we conducted a global pay equity analysis and identified no systemic disparities based on gender or race. We plan to conduct a follow-up analysis in the second half of 2025 after an ongoing organizational realignment

<sup>8</sup> "Leadership positions" are defined by an internal salary band structure that reflects executive and critical leadership positions.

#### 2024 Sustainability Report $\langle 17 \rangle$

Executing plans to reduce and close identified gaps

by 2025

# 2025 Community Sustainability Goals

Progress: In 2024, we successfully expanded our employee volunteer program, Watermark, to our legacy Evoqua colleagues, contributing to a recordbreaking 220,000+ volunteer hours in our communities.

To advance toward our WASH access goal, we provided clean water and sanitation solutions to an additional 3.6 million people in underresourced communities.

Additionally, we reached 2.1 million individuals through water education initiatives and delivered humanitarian aid in response to 43 waterrelated disasters - more than in any prior year.

# Goal 1

Give 1% of company profits<sup>9</sup> to water-related causes and education

Provide 15 million people with water education

to improve quality of life and raise awareness



© Goal **5** 

of water issues

12.4 M

2024 update Donated **0.7%**. or \$6.4+ million, through financial and in-kind equipment donations

Progress to 2025 On track to meet 1% bv 2025

2024 update

education to

in 2024

people

Provided water

2.1 million people

Progress to 2025

**12.4**/15 million



9.5

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

> 2024 update On average, employees volunteered 9.5 hours

> > Progress to 2025 20 hours (or 1% for full-time employees) of volunteer time off now available for all employees

# Goal 6

16.3 M

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

> 2024 update Provided access to **3.6 million** people in 2024

Progress to 2025 16.3/20 million people

# **©** Goal **3**

Engage at least 95% of Xylem employees in volunteer activities



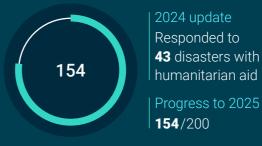
Evoqua employees in reporting Progress to 2025 **79%** of employees

volunteered

2024 update

# Goal 7

Deploy humanitarian aid to 200 areas affected by water-related natural disasters<sup>10</sup>



- <sup>9</sup> "Company profits" is defined as GAAP Net Income.
- <sup>10</sup> See a definition of water-related natural disasters in the accounting principles on pages 85-86.

2024 Sustainability Report < 18 >

# Goal 4

Engage 100,000 stakeholders in volunteer events

Included legacy



2024 update 6,000 stakeholders participated in volunteer events

Progress to 2025 **24.600**/100.000

# Scaling solutions for a water-secure and low-carbon future – our 2030 Goals



# 2030 Decarbonization Goals

We believe the water sector has a key role in supporting global efforts to reduce GHG emissions. Striving to lead by example, we developed **1.5°C-aligned 2030 sciencebased targets for Xylem's Scope 1, 2, and 3 GHG emissions** and are committed to reaching **net-zero by 2050**. In 2024, our science-based targets were validated and approved by the Science Based Targets initiative (SBTi). See pages 33–37 for details.

Crucially, our greatest opportunity to reduce emissions in water management lies in driving innovation and collaborating with our customers and stakeholders — an essential focus of our efforts.

#### Key efforts:

- Collaborate with stakeholders across the water sector, enhance resources for utilities on their net-zero journey, support regulators in utility decarbonization, and raise awareness with thought leadership. See pages <u>27–28</u>, <u>43–45</u>, and <u>81</u>.
- Measuring our products' environmental impact through life-cycle assessments and detailed product sustainability reports and evaluating the impact of our solutions on end-of-life waste-related emissions. See pages <u>43–45</u>.
- Reducing our Scope 1, 2, and 3 emissions, and embedding targets in our operational and financial success. See pages 33–37, and 25.



# Empowering our customers' decarbonization journeys while delivering cost savings

In 2024, Xylem presented a compelling proposal for an aeration system upgrade at an Eastern European food processing facility. The proposal combined technical expertise, cost analysis, and impactful GHG emissions reduction insights to address the customer's needs and enable a 33% reduction in electricity consumption, which would result in a significant annual decrease of 13 metric tons of CO<sub>2</sub>e emissions.

The plan centered on replacing outdated positive displacement blowers with energyefficient Sanitaire Turbo units. Using a customized analysis tool, Zsombor Vánkos, Application Engineering Team Leader and a member of Xylem's Customer Sustainability team, provided tailored projections of return on investment and emission savings. These calculations factored in the facility's specific energy costs and operational requirements.

By aligning the proposal with the customer's sustainability goals, we highlighted the dual benefits of financial savings and positive environmental impact. That proposition resonated with the local plant manager and also addressed the broader objectives of corporate leadership at the company's headquarters in France. The data-driven approach delivered clear and compelling insights, enabling the customer to fully grasp the value of reducing energy consumption and emissions. We continue to empower customers on their decarbonization journeys, driving measurable reductions in GHG emissions and delivering tangible progress toward their sustainability goals.

"It was inspiring to see how we turned a simple proposal into a comprehensive, sustainability-focused offering, including emission reductions. This approach generated enthusiasm, supported local development, and enhanced customer satisfaction through value-driven analyses."

**Zsombor Vánkos** Application Engineering Team Leader



## Sustainability at Xylem



# 2030 Water Stewardship Goals

Our role in supporting the efficient use of critical water resources across industries is reflected in our ability to help customers reduce water demand in their operations. By the end of 2030, we aim to enable our customers to reduce at least 2 billion cubic meters of annual water demand. Additionally, we are committed to reducing our own water intensity by 30% and driving greater accountability among high-impact suppliers to lower water intensity across our supply chain.

#### **Key efforts:**

- Measure the positive impact of our technologies' ability to enable our customers to reduce water demand. See pages <u>43–45</u>.
- Partner across sectors to advance water stewardship thought leadership and share best practices. See pages <u>27–28</u>.
- Continue to improve water use and management across our own operations. See page <u>32</u>.
- Partner with suppliers to improve water stewardship practices across our supply chain network. See page <u>66</u>.

# Xylem's Water Walk: Identifying water efficiency opportunities for a global spirits manufacturer

A global spirits manufacturer in the southern United States set an ambitious goal to cut water use by 50% by 2030. While plant personnel had already identified and implemented some water-saving measures, progress had stalled.

Spotlight

To help identify new opportunities, Xylem's local sales team and sustainability experts conducted a Xylem Water Walk — a six-hour, hands-on assessment of the facility's water usage. Engaging directly with plant personnel, the team examined how water was being used, pinpointing areas where conservation and reuse strategies could be applied.

The Water Walk uncovered 10 significant opportunities to reduce and reuse water, many of which required only simple operational changes rather than major capital investments. Beyond water savings, the assessment also identified potential reductions in chemical usage and emissions. With these actionable insights, the facility is expected to save more than 1 million gallons of water annually, making steady progress toward its sustainability goals.

By leveraging Xylem's expertise, the manufacturer has turned its sustainability aspirations into practical strategies. The Water Walk not only provided a clear roadmap to enhance water efficiency but also reinforced the power of collaboration in driving meaningful environmental impact.





## xylem



# 2030 WASH Access Goal

Through technology, expertise and partnership, we aim to improve water security for 80 million people by the end of 2030 by enabling climate-resilient WASH access and capacity building in under-resourced, water-insecure communities

## **Key efforts:**

- Continue to partner with Watermark nonprofit partners to invest in climatesmart WASH access projects. See page <u>70</u>.
- Invest in and scale technology solutions suited for WASH development. See page 70.
- Partner across the private sector to enable greater finance options for WASH development. See page 70.
- Support WASH access projects through volunteer time and our colleagues' expertise. See pages 67-74.





# Xylem's solar-powered pumping system: Delivering clean water to small communities in Malawi

Xylem has joined forces with Engineers Without Borders and Freshwater Project International to design a groundwater extraction system for the Mbeta water points in the Nsanje District, located in Malawi's Southern Region. This initiative aims to provide a sustainable and reliable water source for local communities, addressing one of the most pressing public health challenges: access to clean water.

The project focused on creating a reliable system to extract and store groundwater, ensuring a steady supply of clean water for the community. This included designing a borehole pump to draw water from under the ground, installing storage tanks to keep an adequate supply, and recommending the best setup for solar panels to power the system. A key goal was to develop a solar-powered pump that could provide up to 20,000 liters of water each day.

Xylem played a key role by designing the system and supplying an advanced solarpowered pump. This pump uses energy from solar panels to draw water efficiently. We also developed a special controller that helps manage the power flow so that the system runs smoothly and reliably.



Beyond technical contributions, we collaborated with Engineers Without Borders and Freshwater Project International to provide training sessions on the solar pumping system design and best installation practices. By equipping local engineers and technicians with essential skills, we are empowering them to sustain and expand these vital water solutions over time and enable communities to maintain their water systems independently, fostering long-term resilience.

Access to clean water is a fundamental driver of public health. Reliable water sources reduce the prevalence of waterborne diseases, prevent healthcareassociated infections, and improve overall community well-being. With clean water, children can attend school without the burden of illness, healthcare facilities can maintain hygienic conditions, and families can thrive in healthier environments.

The impact of this project is already visible, as the water system now serves 224 households – benefiting approximately 1,120 people across three villages: Mbeta, Chikolongo, and Chikanguya. Additionally, it provides clean water to Nswanswa Primary School, which serves 1,100 students - 552 girls and 548 boys.

# Sustainability governance

Robust governance structures are essential to the effectiveness and credibility of our sustainability programs, commitments, goals, and reporting. From our Board of Directors (Board) to our teams operationalizing sustainability across our businesses, we apply strong governance to provide oversight that is responsive to operational needs.

# **Xylem's Board**

Strong sustainability governance starts with our Board. Our Board, primarily through its Nominating and Governance Committee, oversees Xylem's sustainability and corporate social responsibility programs. The committee also oversees the business continuity, disaster recovery, crisis response, and compliance programs, including environmental, health, safety, and security, data privacy and conflict minerals. The Leadership **Development and Compensation Committee** oversees Xylem's executive compensation, including linkage to sustainability performance, and Xylem's approach to human capital management, including talent and the workplace. The Audit Committee oversees financial reporting processes and controls, compliance with legal and regulatory requirements, including business ethics and anti-corruption, and cybersecurity controls and reporting.

The full Board reviews sustainability as a strategic enabler for Xylem's value creation. It also periodically reviews responsibilities delegated to its committees to maintain effective oversight of sustainability matters given broader trends and the evolving regulatory landscape.

The Board and its committees regularly discuss with management our approach to sustainability, including risks and opportunities, implications for Xylem's strategy, and our progress toward meeting our sustainability commitments.

# Xylem's senior leadership

Our Chief Executive Officer, Chief People and Sustainability Officer, business Presidents and other members of the senior leadership team lead execution of our sustainability strategy and drive progress toward our goals.

The Sustainability Goal Deployment Committee meets guarterly to review progress toward goals and address challenges and opportunities related to goal achievement. The committee includes a wide range of participants, including senior leaders and those individuals responsible for operational execution. The Sustainability Reporting and Green Finance Committee reviews and advises on our green finance strategy, as appropriate, 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.

Finally, whenever new sustainability disclosures are planned, relevant members of Xylem's Disclosure Committee review the proposed disclosure to provide oversight as part of our governance process.

Nominating & Governance Committee oversees approach to sustainability and corporate social responsibility Leadership **Development &** Compensation Committee oversees approach to talent management and development, including how we advance inclusion and belonging

**Audit Committee** 

oversees financial reporting processes and controls, and compliance with legal and regulatory requirements

#### **Board of Directors**

reviews sustainability as a strategic driver of growth

#### CEO and senior leadership team

executes our sustainability strategy and drives progress toward our strategically aligned goals

#### Sustainability & Social Impact team

develops and coordinates the sustainability and social impact strategy and drives compliance with sustainability reporting regulations

#### Operational execution

of programs and initiatives integrates sustainability into business processes, driving Xylem toward achieving its sustainability goals

22 >

#### Sustainability **Goal Deployment** Committee

reviews progress against our 2025 Sustainability Goals and other communicated doals

#### Sustainability **Reporting and Green Finance Committee**

provides guidance on our green finance strategy and sustainability reporting strategy

#### Disclosure Committee

reviews proposed sustainability disclosures to provide oversight as part of our governance process

# **Board selection**

Xylem and its Board believe that a wide range of backgrounds, experiences, and perspectives in the boardroom contributes to Xylem's success and our ability to create long-term value for shareholders and other stakeholders.

The Board actively seeks to attract a diverse group of highly qualified individuals to be included in the pool of candidates from which Board nominees are selected. When making selection decisions, the Board considers nominees' viewpoints, professional experience, education, and skills.

## Directors' profile 11

- Independent directors: 9 of 10
- Directors with CEO experience: 5 of 10
- Average years of tenure: 6.05
- Average age: 61.01





CEO & President, Claridad LLC

Age: 65 Independent: 🗸 Number of public boards: 3 Director since: 2017 Comittees: Audit Committee, Leadership Development & Compensation Committee



## Earl R. Ellis EVP & CFO, ABM Industries Inc. Age: 59 Independent: 🗸 Number of public boards: 1 Director since: 2023 Comittees: Audit Committee (Chair)



## Robert F. Friel (Chair) Former Chairman, President & CEO, PerkinElmer Inc. Age: 69 Independent: 🗸

Number of public boards: 2 Director since: 2012 Comittees: Leadership Development & Compensation Committee



# Lisa Glatch Former President, LNG and Chief Sustainability Officer, Sempra Infrastructure Age: 62

Independent: 🗸 Number of public boards: 3 Director since: 2023 12 Comittees: Leadership Development & Compensation Committee

Victoria D. Harker

Former EVP & CFO, TEGNA Inc. Age: 60 Independent: 🗸 Number of public boards: 3 Director since: 2011

Comittees: Audit Committee, Nominating & Governance Committee





# Matthew F. Pine President & CEO, Xylem Inc.



Age: 53 Independent: CEO Number of public boards: 1 Director since: 2024 Comittees: -





Age: 61 Independent: 🗸 Number of public boards: 1 Director since: 2020 Comittees: Audit Committee, Nominating & Governance Committee

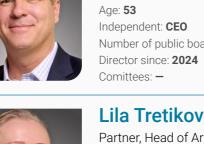
<sup>11</sup> Information as of December 31, 2024.

<sup>12</sup> Served on Evogua Water Technology Corporation's Board of Directors from 2020 until Xylem's acquisition on May 24, 2023.



Director since: 2022







## Uday Yadav CEO, TK Elevator



# Mark D. Morelli

President & CEO, Vontier Corp.

Comittees: Audit Committee, Leadership Development & Compensation Committee (Chair)

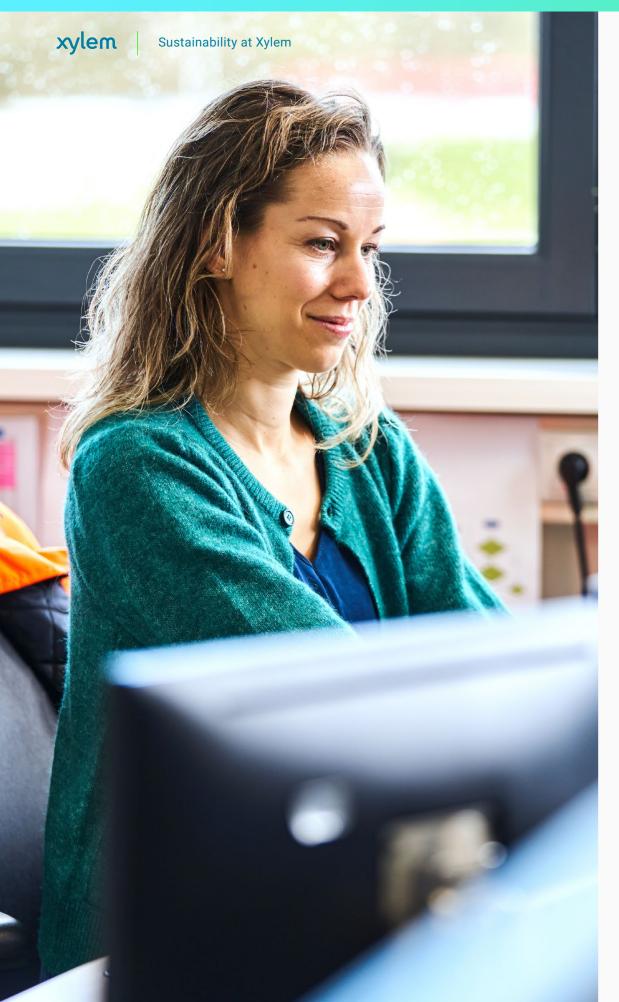
## Jerome A. Peribere

Former President & CEO. Sealed Air

Comittees: Nominating & Governance Committee (Chair)

Partner, Head of Artificial Intelligence Strategy, New Enterprise Associates

Comittees: Nominating & Governance Committee



# Sustainability-linked compensation

To further drive executive execution of sustainability performance, several sustainabilityrelated goals have been included in executive compensation. These goals include improving the representation of women in Xylem's leadership by utilizing merit-based hiring and promotions and expanding candidate pools to include a range of backgrounds and demographics for all professional positions to attract and retain top talent. Additional goals involve improving our injury frequency rate, achieving 100% process water recycling at our major facilities, and enabling customers to reduce their annual water demand.

# Sustainability reporting process

Our sustainability reporting continues to evolve to meet regulatory and stakeholder requirements. We continue to enhance the integrity of our disclosures and transparency and strengthen our reporting practices to support sustainability reporting.

# **Double materiality** assessment exercise

In early 2024, we completed our double materiality assessment in preparation for European Corporate Sustainability Reporting Directive (CSRD) requirements. Unlike our previous materiality assessments, which primarily identified topics of interest to stakeholders and informed our voluntary reporting, CSRD, once applicable, would require the consideration of how Xylem impacts both people and the planet, as well as how sustainability issues affect the company's financial performance.

The assessment was informed by input from interviews with internal and external stakeholders, including investors, lenders, customers, and nonprofit partners. Additionally, we conducted an online survey to gather insights from Xylem's internal subject matter experts, supported by desktop research and validation by third-party

experts specializing in responsible business conduct, water, biodiversity, human rights, and CSRD reporting. The process also included multiple workshops, where internal business leaders and subject matter experts reviewed and validated the assessment's approaches and findings. We plan to review the double materiality results annually and upon any material changes to the company.

While we have made significant strides in preparing for the CSRD requirements, further progress is needed. As such, the disclosures in this year's report primarily reflect Xylem's prior materiality assessments.

# **Reporting governance: 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 and findings from our sustainability program to meet the expectations of our stakeholders and the changing regulatory landscape.

We have further strengthened our internal controls by developing a comprehensive framework for sustainability reporting and initiating the implementation of a new data management tool in 2025. These efforts aim to enhance the integrity of our disclosures and improve audit readiness in preparation for the CSRD requirements.

# **Guiding reporting frameworks**

We report in reference to the GRI Standards in our annual sustainability reporting to disclose information on general topics such as business,

the environment, society, and human rights. We are also guided by the relevant industryspecific standards of the Sustainability Accounting Standards Board (SASB), the recommendations of the Task Force on Climaterelated Financial Disclosures (TCFD), and the United Nations Global Compact.

In 2024, we completed an update of our TCFD assessment. Results are included in our newly published Climate Action Plan.

# **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 our strategic, operational, financial, compliance, and reputational risks over the short, intermediate, and long term.

Risk assessments are conducted annually and as needed in line with changes to our business and external factors. We continue to monitor our risks throughout the year, including to understand how internal and external factors may impact our risk profile and inform our mitigation plans. 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 page 29 of our 2025 Proxy Statement.

# Sustainable finance

Over the past decade, we have continued to align positive environmental and social impacts with strong economic outcomes, reinforcing our commitment to placing sustainability at the core of everything we do. In recent years, we further advanced our sustainable financing initiatives and the key performance indicators that support them.

## **Examples of key initiatives include:**

- Launched a five-year revolving credit facility in 2023 featuring pricing adjustments based on Xylem's achievement of certain sustainability-related key performance indicators alongside its credit rating. These targets are aligned with climate mitigation action across our value chain, including emissions reduction, customer GHG emission reduction, and increased supplier reporting of environmental data to EcoVadis or equivalent assessment platforms.
- In partnership with impact platform CNote, invested a portion of our cash on hand in mission-driven banks and credit unions that facilitate investments in historically underserved communities. As of December 31, 2024, we have invested \$12 million.

- Established a demand deposit account with yields on deposits linked to the achievement of our 2025 Sustainability Goals. Since 2021, we have earned nearly \$300,000 in interest bonuses based on the average balance in the account for each year.
- Completed a \$1 billion green bond offering, with proceeds directed toward projects that improve water accessibility, affordability, and resiliency.
- Transitioned supply chain finance agreements to sustainable frameworks, providing incentives for participating suppliers to initiate and improve their EcoVadis (or equivalent) scores.

In 2024, we were honored with the "Best ESG Working Capital Initiative" award by The Working Capital Forum for our global sustainable supply chain finance program in partnership with ING. The award recognized our program as a leading example of effective working capital management, with judges praising its clear key performance indicators, robust infrastructure, and advanced payment capabilities that have enabled significant growth in both size and scope.

We remain committed to advancing sustainability-focused financing strategies, aligning capital deployment with our mission to drive meaningful environmental and social outcomes.

# Spotlight

# Empowering communities through sustainable finance: Xylem's impact with CNote

CNote is a financial technology platform that enables companies and individuals to channel deposits and investments into mission-driven banks and credit unions that are deeply rooted in their local communities. These deposits don't just sit idle - they actively support economic growth and social impact.

Through our partnership with CNote and its Impact Cash® solution, Xylem placed deposits with 48 community financial institutions in 2024. These institutions originated more than \$7.5 billion in loans, with \$4.4 billion directed to underresourced communities.

Funding from these institutions have made a tangible impact in 2024 by:

- Supporting small businesses with \$820 million in loans, helping create and sustain 4,800 jobs.
- Advancing affordable housing with \$612 million in loans, supporting more than 1,500 housing units.
- Driving green initiatives with more than \$147 million in loans, promoting environmental sustainability.





#### Making clean energy accessible

Among the many success stories, Flywheel Development stands out. Founded in 2014 with the goal of making renewable energy accessible to low-income families in Washington, DC. However, like many firsttime entrepreneurs, securing financing was a challenge – until they connected with Locus Bank, a CNote Impact Cash partner.

Thanks in part to deposits made by Xylem, Locus Bank provided Flywheel with the critical financing needed to launch the Solar for All program – an initiative bringing clean energy to 100,000 low- and moderateincome households. These projects have helped families save up to 50% on electricity bills while accelerating the adoption of renewable energy.

Today, Flywheel's 49+ solar projects across Washington, DC, and Maryland are making sustainable energy affordable for those who need it most – demonstrating the power of impact-driven finance to transform lives and communities.

Read more here.

# Innovation

Innovation and sustainability are deeply interconnected, driving our efforts to address the world's greatest water challenges.

Innovation extends beyond the development of advanced technologies to include rethinking how we work, partner, deliver solutions to our customers and communities, and develop talent for the water 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 page 73.

# **Research and development**

Sustainability is not merely a goal but a fundamental principle that guides our approach to innovation, ensuring that our products and processes enable customers to meet their sustainability objectives while minimizing lifecycle impacts.

This thinking is embedded in our research and development efforts and growth strategy. By focusing on designing high-guality, reliable products, services, and solutions, we aim to meet emerging needs of our diverse, global customer base. Our "design for sustainability" approach integrates sustainability considerations into our product development methodology.

Proactive customer outreach, conducted in collaboration between our Product Sustainability and Product Management teams, provides valuable insights into our customers' sustainability priorities. These findings guide our technology investments and support the development of solutions targeting critical impact areas, such as water efficiency - a top priority identified by our customers.

Emerging trends further highlight the increasing demand for highly efficient, digital, and energysaving water technologies. For example, our digital suite, Xylem Vue, integrates Xylem's existing digital water solution portfolio with Idrica's technology platform, enabling seamless data management across water and wastewater networks. This helps utilities reduce water loss, optimize performance, adapt to changing conditions, and achieve significant cost savings. To further enhance these capabilities and create a more streamlined customer experience, Xylem acquired a majority stake in Idrica in December 2024, strengthening the Xylem Vue offering. Similarly, energy efficiency remains a critical focus for customers, with solutions like the Hydrovar® X variable speed pump drive enhancing water efficiency, reducing energy consumption, and lowering the carbon footprint.

# Spotlight



Shyam Boriah, VP of Artificial Intelligence and Digital Product Solutions, shares insights into the steps Xylem took in 2024 to advance the adoption of artificial intelligence (AI):

With rapid innovation in AI technology in recent years, we recognized that the opportunity to tackle complex external water and internal operational challenges through AI is immense. That opportunity creates the need to accelerate AI adoption to enhance both the customer and employee experiences, while also addressing the governance of AI and related risk management.

In 2023, a group of executives participating in the Executive Development Program developed a project focused on how Xylem could responsibly accelerate the adoption of AI across the business. This led to the formation of a cross-functional AI Task Force in early 2024, with a one-year mandate to drive AI adoption and develop long-term governance recommendations.

Over the past year, we have focused on three key areas across the organization:

## 1. Educating colleagues

We recognize that the workforce of the future will closely interact with AI tools. When adopted appropriately, these tools can significantly enhance both the customer experience and employee experience. Our goal is to enable our people to utilize AI to improve productivity in their day-to-day work, allowing them to better serve customers and focus their time on high-value tasks. To support this, we rolled out a series of short AI training videos for all employees, established standard usage guidelines, and provided learning resources. We aim for employees to feel confident and empowered to adopt Al in ways that suit their roles.

#### 2. Accelerating adoption

To effectively integrate AI in the day-to-day operations of the business, we developed a disciplined and robust framework to align Al investments with business priorities. We formed a small core team of AI experts from within the organization to drive the adoption of AI capabilities across various functions. To maintain agility in the value realization process, we focused on iterative rapid prototyping, followed by either scaling or pivoting solutions.

#### 3. Defining governance

To support responsible AI adoption, we recognized the need for clear governance to appropriately assess and mitigate risks related to company, employee and customer data. The AI Task Force developed use guidelines for employees and provided recommendations for longterm risk assessment and governance, drawing on best practices from external partners and organizations.

Xylem's Al journey is off to a strong start, supporting our ability to empower customers and communities more effectively. We are providing upskilling opportunities for our colleagues to grow and build skills for the next generation of work, while also establishing robust governance structures to promote responsible use. Learn more about our enterprise risk management on page 24

# Advancing sustainability through collective action

# Advancing shared interests: The Reservoir Center for Water Solutions

The <u>Reservoir Center for Water Solutions</u> is co-located with Xylem's global headquarters in Washington, DC, providing space for crosssector collaboration across various water issues. The initiative now counts more than <u>75 organizations</u> as partners, including universities, nonprofit organizations, think tanks, and youth education organizations. 2024 marked a year of significant growth for the Reservoir Center, which saw a 33% increase in visitor traffic and welcomed more than 4,000 visitors.

In 2024, the Reservoir Center and its partners hosted more than 50 events addressing global water challenges. Highlights included the expansion of the Careers for Change program, a World Water Day Summit, and Hill Coffees, providing partners with opportunities to engage directly with U.S. Congress staff. Curated dialogues tackled pressing issues such as PFAS contamination, interagency coordination through the water subcabinet, and water policy.

Additionally, Reservoir Center staff and partners dedicated more than 400 hours of waterfocused education and community engagement throughout the DC area, further strengthening our commitment to fostering a deeper understanding of water issues and driving impactful change.



# Fostering water innovation: Xylem Innovation Labs

Our corporate innovation and venture team, Xylem Innovation Labs (XIL), accelerates water innovation by partnering with startups, venture capital firms, universities, and key innovators to develop cutting-edge technologies that address global water challenges. Through XIL programming, we connect with our customers, understand their needs, and bring the most innovative solutions to market.

The mission of XIL has three key pillars:

- 1. Unlocking new technologies for customers through the Partnerships Accelerator program
- In 2024, twelve companies from six countries joined the Xylem Partnerships Accelerator, exploring areas such as advanced sensing, AI and digital workforce, sustainable treatment solutions, and netzero energy solutions.

- Our 2024 partnerships in action:
- eoapp AQUA launch: Water quality sensing and bathymetry provides a holistic view of watersheds for our customers as a result of a partnership between Xylem Analytics and satellite remote sensing company EOMAP, formed through the 2022 Xylem Partnerships Accelerator.
- PFAS solutions: In response to growing PFAS concerns from our industrial and municipal customers, we have augmented Xylem's core portfolio of PFAS treatment solutions, including companies engaged in PFAS destruction such as Aclarity, Onvector, Revive, and others.
- N<sub>2</sub>O reduction: Partnering with Cobalt Walter, a 2023 Xylem Partnerships Accelerator company, we are now able to use software to pinpoint N<sub>2</sub>O emissions risk in wastewater treatment and deploy targeted solutions, a key step toward helping customers achieve their net-zero targets.



- 2. Deploying advanced financing mechani to catalyze the adoption of innovative water technologies
- Xylem is a founding sponsor of the Isle Utilities' Climate Change Trial Reservoir and Industrial Treatment Trial Reservoir programs, global private-revolving loan f that de-risk full-scale trials of emerging technologies. In 2024, these programs deployed about \$500,000, evaluating 12 technologies and launching 4 pilots.
- Xylem continues to invest in venture capital funds, including <u>WaterEquity</u>, a WASH impact fund, as well as Burnt Isla Ventures (BIV), the leading early-stage v venture capital fund anchoring both Fun and the Opportunity Fund in 2024.
- Xylem funded more than 16 pilots in 202 demonstrating the commercial viability of new technologies with partners and customers through XIL programs.

isms	3.	Becoming a catalyst in the water innovation ecosystem by partnering with leading entrepreneurs and open innovation partners around the world
funds	•	XIL has become a hub for water innovation, building a network of more than 40 global partners, including venture capital firms, accelerators, research institutes, universities, customers, and nonprofit organizations.
and vater id 2	•	We are partnering with regional consortiums to promote water innovation in key regions including the Kinneret Innovation Center in Israel, the International Centre for Clean Water (ICCW) in India, and the Research Institute for Water Management and Climate Future of at RWTH Aachen University (FiW) in Germany where Xylem opened the European Xylem Innovation Hub.
24,		

# Our commitment to continuous progress

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 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 Nations' 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

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 UN Climate Change High-Level Champions, CDP, Water UK, the US Water Alliance, the International Water Association, 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 support and promote equal opportunities for women in the workplace, marketplace, and community.

The WEPs were established by UN Women and the UN Global Compact and are based on international labor and human rights standards. 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 all employees - including LGBTQ+ employees – everywhere they do business. Xylem became a coalition member in 2018.

#### Additional commitments include:

- American Business Act on Climate Pledge
- 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 LGBTI** People
- Human Rights Campaign Foundation's Business Coalition for the Equality Act
- Charta der Vielfalt (Germany)

# Ratings and recognitions

# Ratings



**EcoVadis: Silver - 91st** percentile as of February 2024



**CDP Climate Change: B** as of February 2025

**CDP Water: B** as of February 2025



**MSCI: AAA** as of February 2025



**ISS ESG Corporate Rating:** Prime - Decile rank 1 as of November 2024



**ISS ESG Quality Score:** 

- Environment 1
- Social 1
- Governance 2 as of March 2025

**BARRON'S** 

Companies

Barron's

Ranked #6

2025 100 Most Sustainable

# Recognitions

## NEWSWEEK

2025 America's Most **Responsible Companies** 

#### Newsweek

Ranked #40 out of 600 overall; #4 out of 75 in Capital Goods industry

CORPORATE KNIGHTS

2025 Clean200™

Corporate Knights Ranked #101 out of 200 companies



2025 SDG2000 **Most Influential Companies** 

World Benchmarking Alliance



2025 America's **Most Just Companies** 

JUST Capital Ranked #118 out of 940 overall; #4 out of 49 in Industrial Goods industry



**United States** 

Foundation (5th consecutive year)



2025 Best Place to Work for LGBTQ Equality in the

#### Human Rights Campaign



2025 Best LGBTQ+ Workplaces in Mexico

Human Rights Campaign Foundation

About Xylem Sustainability at Xylem (Impact on the environment)

# Impact on the environment

Protecting the environment's natural resources is fundamental to the water sector, as well as a key differentiator and essential to the value we deliver. It is central to our purpose: empowering customers and communities to build a more water-secure future.

We are continuously enhancing sustainability across our operations by optimizing water use, improving energy efficiency, reducing emissions and waste streams, and adopting circular economy principles – all contributing to our 2025 and 2030 environmental goals. Additionally, by designing for sustainability, we minimize environmental impact across product lifecycles, helping our customers to meet their own sustainability goals.

By embedding sustainability into our operations and enhancing product efficiency, we create opportunities to strengthen financial performance, reinforce our market position, expand into new growth markets, and build long-term business resilience in a rapidly evolving global landscape. Most importantly, we help our customers deliver clean water, treat wastewater, and protect public health in their communities.



2024 Sustainability Report

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# **Operational sustainability**

We strive to integrate sustainability into our operations to reduce our environmental impact, preserve resources, and support the wellbeing of the communities we serve.

Beyond compliance, our approach to sustainability aims to create lasting value and resilience. In 2024, we invested more than \$2.6 million in initiatives aimed at reducing GHG emissions, water consumption, and waste across our operations.

# Our commitment to transparent environmental management

We uphold transparency and accountability through rigorous tracking and reporting mechanisms. Our digital environment, health, and safety metric database enables us to effectively monitor environmental projects at our facilities and manage environmental data with reliability.

We hold ourselves to high standards:

- 88 Xylem facilities are certified to ISO 14001: Environmental Management, representing 21% of all facilities. 43% of our 21 major facilities are ISO 14001 certified.
- 5 facilities hold certification for ISO 50001: Energy Management, representing 1% of all facilities. 14% of our 21 major facilities are ISO 50001 certified.
- <sup>13</sup> Major facilities are defined as the 21 manufacturing sites that contribute most significantly 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 pages 83-86.
- <sup>14</sup> Slaton (Texas), United States, previously classified as a major facility, closed in 2023, reducing our total number of major facilities to 21.

# **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 various regions. In 2019, we identified 22<sup>13</sup> major facilities 14 with significant energy, waste, and water impacts. While those major facilities provide the greatest opportunity for positive change, our operational sustainability practices influence all 427 Xylem facilities.

Our operational 2025 Sustainability Goals serve as vital benchmarks across four key categories: water management, waste management, energy efficiency, and emissions reduction.

# Validation process of **doal achievement**

When a facility reports achieving a goal, internal teams review the data against specific support criteria tailored to each goal type, such as water usage in production, water recycling rates, or waste recycling and reuse methods. In 2022, we assessed the effectiveness of our on-site goal validation process for three facilities: renewable energy in San Diego (California), USA, zero waste to landfill in Texarkana (Arkansas), USA, and process water recycling in Chihuahua, Mexico. An external auditor reviewed evidence collected by the local facilities and confirmed that the process met audit standards.

Since 2023, a third party has independently collected, analyzed, and compared relevant data to validate our process water recycling goal, which is linked to our revolving credit facility. This approach provides an objective assessment and validation of our operational water sustainability achievements.

# Progress towards our 2025 Goals in 2024

Goal 1 Use 100% renewable energy



2024

2024 update Added 1 new facility Progress to 2025 19/21

# Goal 2

Use 100% process water recycling at our major facilities



2024 update Added 3 new facilities Progress to 2025 **19**/21

# **Xylem's "Triple Crown" facilities**

Quenington (United Kingdom)

San Diego, California (USA)

**Dubois,** Pennsylvania (USA)

Auburn, New York (USA)

Vadodara (India)

By the end of 2024, five additional major facilities attained what we internally call "Triple Crown" status by achieving all three operational goals. These are in addition to the major facilities that attained Triple Crown status in 2023. As of the end of 2024, a total of 16 of our 21 major facilities have achieved Triple Crown status.



# © Goal 3

#### Achieve zero waste to landfill from processes at our major facilities





2024 update Added 2 new facilities

Progress to 2025 **19**/21

# Water management

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

To lead by example, we remain committed to minimizing our water footprint through reduction and reuse, leveraging our own technology where possible, particularly in regions facing water scarcity. Our operational water-reduction efforts, like our 2030 water goal, underscore our commitment to optimizing and digitizing water management, implementing reuse systems, and focusing on high-impact reduction efforts.

Our resin regeneration and ion exchange service, while mitigating landfill disposal and virgin resin procurement, is water-intensive. The cumulative amount of water reused at all resin regeneration facilities exceeds 100% of the water withdrawn at all those same facilities. In 2024, we established water management plans at these facilities, focusing on water withdrawal reduction, and prioritized facilities based on water consumption.

# 2024 progress

In 2024, our water withdrawal was reduced to 2,480 megaliters – a 3% drop from 2023. Corresponding to \$8,562 million in revenue, this is an intensity of 0.29 megaliters per million US dollars of revenue.

We continued to showcase our commitment to water stewardship by recycling and reusing 2,508 megaliters, representing a 16% increase from 2023, and treating and releasing 1,846 megaliters, a 98% increase from 2023. This growth reflects several factors, including the implementation of projects to recover, treat, and reuse or recycle process water in high-usage facilities within legacy Xylem operations, the first-time inclusion of legacy Evogua data, and ongoing improvements in tracking and reporting treated and released water from major water-using sites. Overall, we recycled and reused more than 100% of our total water withdrawn.

An additional three <sup>15</sup> out of our 21 major facilities achieved the significant milestone of recycling and reusing 100% of their process water, bringing the total to 19 facilities overall.



- After identifying water recycling opportunities in the Submersibles Reclaim and Paint Line Reclaim systems, our facility in Auburn (New York), USA, redirected the recycled water to facility restrooms, resulting in a 27% reduction in total water use at the facility.
- At our Texarkana (Arkansas), USA facility, we introduced 12 waterless urinals and installed a sensor system in the water tank clarifier and passivation tanks to minimize excess water use. Since September 2024, these initiatives have reduced water consumption by approximately 70,000 gallons per month.
- The installation of a closed loop glycol chiller at our Buffalo (New York), USA facility optimized the need for process water to cool their braze press, reducing their total water usage by 50%.

# Water consumption (in megaliters)

	2024	2023
Total water withdrawal	2,480	2,556
Total water recycled and reused	2,508	2,101
Water recycled and reused (%)	100%	82%
Total water treated and released	1,846	32.6
Total revenue (million \$)	8,562	<b>8,146</b> <sup>16</sup>
Total water intensity (megaliters / million \$ of revenue)	0.29	_



<sup>15</sup> Auburn, New York and Dubois, Pennsylvania, in the United States, and Quenington in the United Kingdom.

# Energy efficiency and emissions reduction

We strive to be a leader in the journey to decarbonize the water sector – setting an example by reducing emissions across our value chain.

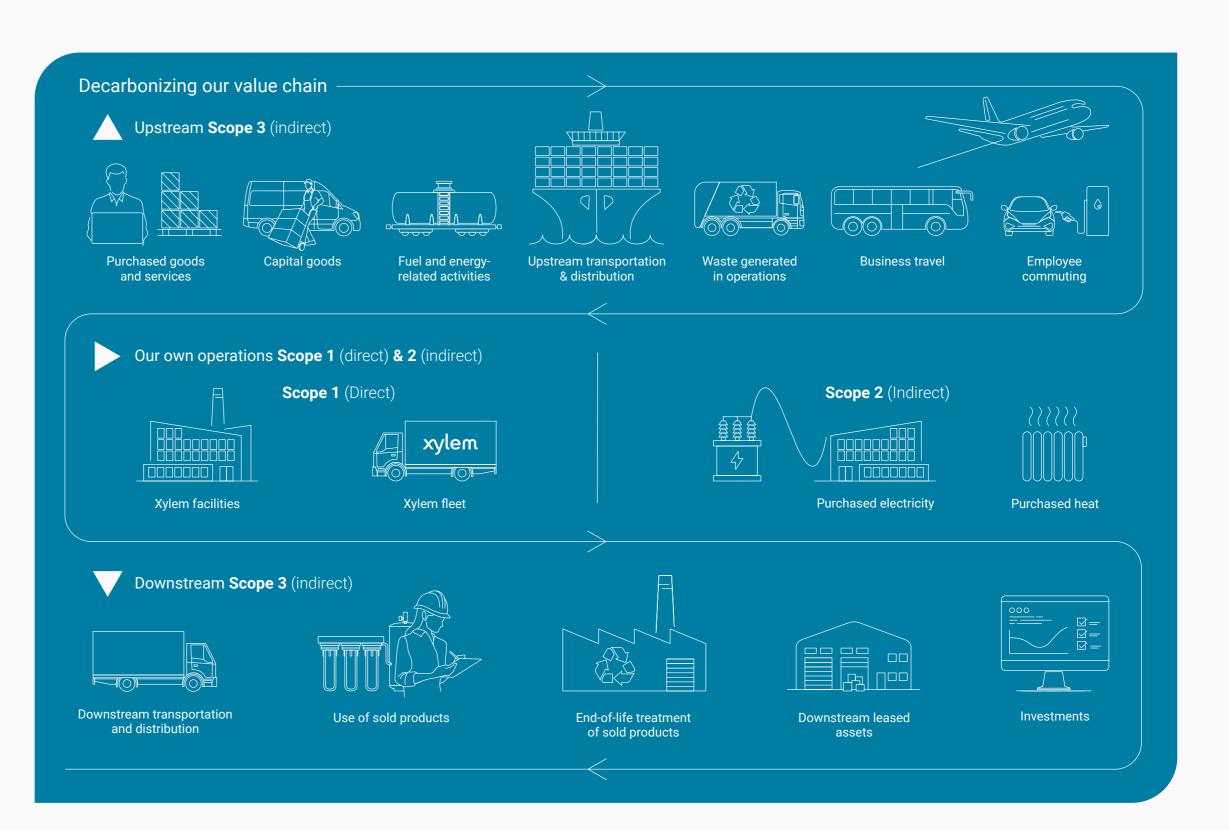
We remain committed to achieving net-zero emissions by 2050 and meeting our interim near-term science-based targets by 2030 for Scopes 1, 2 and 3, aligned to the 1.5-degree scenario. Our 2030 science-based targets were officially validated and approved by the Science Based Targets initiative (SBTi) in late 2024.

Our SBTi-approved 2030 science-based targets are as follows, against a 2023 baseline:

42% Scope 1 and 2 absolute reductions

**52%** Scope 3 economic intensity reduction <sup>17</sup>







# Our path to net zero

# Actions pre-2020

In 2014, we committed to reduce operationsrelated emissions by 20% by 2019. A reduction of 28.3% was achieved during this time.

In 2019, we committed to an ambitious set of 2025 Sustainability Goals, identifying 22 major facilities to focus on to reach the company's net-zero commitment. In addition, we made commitments to green large portions of our fleet and continued to report on Scope 1, 2, and 3 emissions.

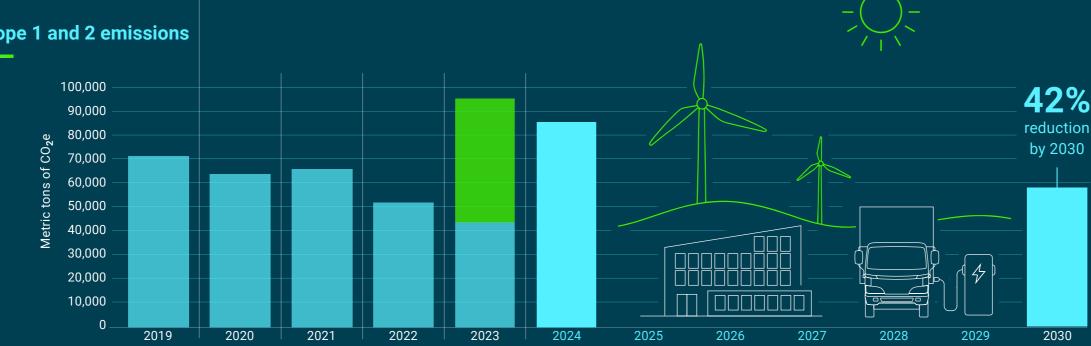
# Actions 2020-2030

Legacy-Xylem sites reduced absolute Scope 1 and 2 (market-based) emissions by 40% in 2023 vs 2019. In 2021, we committed to setting science-based targets aligned to a 1.5°C reduction scenario by 2030 and achieving net-zero by 2050.

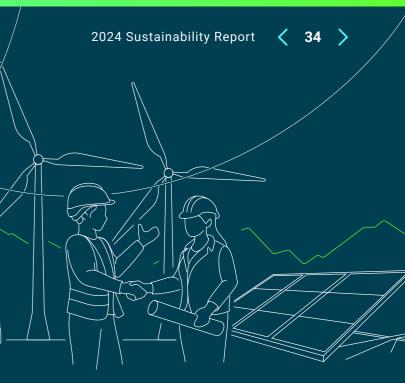
After the acquisition of Evoqua in 2023, the combined company's Scope 1, 2 and 3 emissions footprint was recalculated and reported in the 2023 Sustainability report. In 2024, we resubmitted our 2030 science-based targets to SBTi, based on the updated 2023 baseline of the combined company. Our 2030 science-based targets were validated and approved by the SBTi in December 2024.

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Plans for 2025 and beyond include increasing renewable energy use at legacy-Evoqua facilities, reducing fleet emissions, and optimizing our portfolio and customer engagement to reduce downstream Scope 3 emissions intensity.



# Xylem Scope 1 and 2 emissions



# Actions 2030-2050

# We are committed to achieving net-zero emissions by reducing absolute greenhouse

gas emissions across our operations, including our facilities, fleet, and supply chain. We will continue to work with our customers to reduce emissions associated with the use of our products, but supporting their operational and sustainability goals.

Xylem (combined company)

Legacy Xylem

Legacy Evoqua

The emissions represented for Scope 2 in this graph are Scope 2 market-based emissions, which aligns to our approved science-based target.

2030

# Reducing our operational GHG footprint

In 2024, Xylem reduced its Scope 1 and 2 emissions by approximately 2.4% compared to the 2023 calendar year, reflecting our continued focus on energy efficiency, renewable energy adoption, and operational improvements. We remain committed to further reducing our footprint through strategic investments and innovative solutions.

## Scope 1 emissions

Most of our Scope 1 emissions reside within the operations of our fleet. Transitioning to a lower-emissions fleet would include leveraging fully electric and hybrid vehicles, reducing vehicle size as appropriate, and identifying alternative fuels. These mitigation techniques are expected to be critical to our achievement of our 2030 science-based targets. While fleet electrification is progressing in Europe, limited charging infrastructure in North America and potential supply constraints could hinder Scope 1 emission reductions. Read more on page <u>37</u>.

#### **Scope 2 emissions**

We use renewable electricity, including solar, hydro, and wind power, that is either direct (generated on-site) or indirect (purchased from the grid). We also use renewable heat and renewable energy credits (RECs). Where direct renewable energy isn't feasible due to regulations or geography, we purchase certified RECs to support renewable development and reduce Scope 2 emissions. These strategic purchases have helped green our energy profile cost-effectively, especially at facilities without direct access to renewables. Reducing emissions from heat production remains a challenge due to limited or costly REC options. Additionally, shifting our baseline year from 2019 to 2023 to incorporate Evogua resets our progress, making reductions at our most challenging facilities even more critical. Read more on page 37.

# Reducing emissions across our value chain

Reducing emissions beyond our own operations is key to our path to net-zero. By working closely with our customers and suppliers, optimizing logistics, and innovating efficient solutions, we are taking meaningful steps to cut carbon across our entire value chain. In 2024, our indirect Scope 3 emissions increased by 9% as compared to calendar year 2023. This increase is primarily due to a large Custom Pump order that impacted our Scope 3, Category 11 emissions.

### **Scope 3 emissions**

Our indirect Scope 3 GHG emissions occur from assets not owned or controlled by Xylem but directly affected by our value chain. Emissions from customers' use of our products (Scope 3, Category 11) account for more than 96% of total emissions across our value chain, as of 2024. A significant portion of our solutions portfolio is designed to treat, move, and manage water resources, delivering critical benefits such as environmental protection, clean drinking water, and sanitation. These products predominantly rely on electricity to operate, often running for many hours daily, and typically have long life cycles, exceeding 10 years.

Our Scope 3 reduction target is heavily dependent on the global transition to low carbon energy production. Since our products are utilized globally and frequently rely on electricity at our customers' facilities, we utilize regional electric emissions factors when calculating our Scope 3, Category 11 totals. If the global shift to low carbon energy does not make significant progress by 2030 and beyond, we face the risk of falling short of our Scope 3 emissions intensity reduction target. For more information on our Scope 3 emissions mitigation plans, see our <u>Climate Action Plan</u>.

# Managing other air emissions

Beyond targeting Scope 1, 2, and 3 GHG emissions, we remain committed to reducing other air emissions where possible, particularly volatile organic compounds (VOCs). Strengthening our data monitoring and analysis practices has enabled a more detailed and accurate assessment of VOCs and other air emissions, supporting our ongoing efforts to minimize environmental impact.

This year, we enhanced our emissions calculations to provide a more accurate and complete picture of our environmental impact. Our methodology now includes estimates for additional facilities, such as previously unaccounted-for legacy Evoqua locations, and applies facility-specific emission factors from IEA and eGrid instead of a single, generalized set. These refinements do not reflect an increase in emissions but rather a more precise measurement, ensuring that our total reported GHG emissions align more closely with  $CO_2$ -equivalent calculations, including cryogenic  $CO_2$  and refrigerants.

# 2024 highlight:

 We installed a catalytic combustion system for VOC emissions reduction in our paint shop in Shenyang, China. The system is estimated to reduce VOC emissions by more than 90% compared to previous levels.







# Greenhouse gas (GHG) emissions

	2024	2023
GHG emissions – Scope 1 (direct) (in metric tons CO <sub>2</sub> e)		
Natural gas	23,136	28,142
Stationary source gaseous propane	4.2	34.2
Stationary source liquid propane	366	990
Stationary source fuel oil	1,044	1,710
Cryogenic CO <sub>2</sub>	1.8	1.2
Refrigerant	75	188
Total stationary GHG emissions	24,627	31,065
Mobile source gasoline	17,148	16,057
Mobile source diesel	31,821	28,709
Mobile source liquid propane	347	389
Total mobile GHG emissions	49,315	45,156
Total Scope 1 emissions	73,943	76,221
GHG emissions – Scope 2 (indirect) (in metric tons CO <sub>2</sub> e)		
Purchased electricity	49,459	51,126
Purchased heat	2,545	1,579
Total Scope 2 emissions – location-based	52,005	52,704
Total Scope 2 emissions - market-based	17,516	18,272
Total GHG emissions (Scope 1 & 2) intensity (in metric tons CO2e / million \$	of revenue)	
Total GHG (Scope 1 & 2) emissions (tCO <sub>2</sub> e)	125,947	128,924
Total revenue (million \$)	8,562	<b>8,146</b> <sup>18</sup>
Total GHG emissions (Scope 1 & 2) intensity	14.7	-
Emissions avoided via purchased renewable energy credits ( <i>tCO</i> <sub>2</sub> e)	35,035	34,448
Renewable electricity generated (tCO2e)	<b>0</b> <sup>19</sup>	800
Renewable purchased heat ( <i>tCO<sub>2</sub>e</i> )	833	813
Net GHG emissions (Scope 1 & 2) incl. renewable energy ( $tCO_2e$ )	91,459	93,676
Total net GHG emissions (Scope 1 & 2) intensity	10.7	-
GHG emissions – Scope 3 (indirect) (in metric tons CO <sub>2</sub> e)		
Category 1 – Purchased goods	847,077	869,020
Category 2 – Capital goods	11,731	13,924
Category 3 – Fuel and energy-related activities	30,568	40,998

<sup>18, 23</sup> 2023 pro forma revenue of the combined company.

- <sup>19</sup> Renewable electricity generated does not produce emissions. In previous years, our figures reflected avoided emissions rather than actual emissions; this has been corrected for 2024.
- <sup>20</sup> Scope 3, Category 15 (Investments) emissions are estimated using available revenue data and supply chain average emission factors from the EPA. One investment was excluded from this year's calculations due to unavailable revenue information at the time of the publication of this report. We plan to include updated figures in next year's sustainability report.
- <sup>21</sup> This table breaks down the total GHG emissions previously reported in above tables into specific gases  $CO_2$ ,  $CH_2$ , and  $N_2O$ rather than presenting them solely as  $CO_2$ -equivalent ( $CO_2e$ ).

Greenhouse gas (GHG) emissions in 2024 continued

Category 5 – Waste generated	39,615	14,546
Category 6 – Business travel	23,074	31,518
Category 7 – Employee commuting	48,277	45,064
Category 9 – Downstream transport	82,647	110,346
Category 11 – Use of sold products	66,845,993	61,288,587
Category 12 - End-of-life treatment of sold products	55,895	57,314
Category 13 – Downstream leased assets	869,497	629,286
Category 15 – Investments <sup>20</sup>	5,327	6,304
Total Scope 3 emissions	69,050,457	63,324,759
Air emissions (in metric tons)		
Volatile organic compound (VOC) emissions	80.6	91.1
<b>Other GHG emissions</b> <sup>21</sup> (in metric tons)		
C0 <sub>2</sub>	125,115	58,842
	154	17.1
CH <sub>4</sub>		

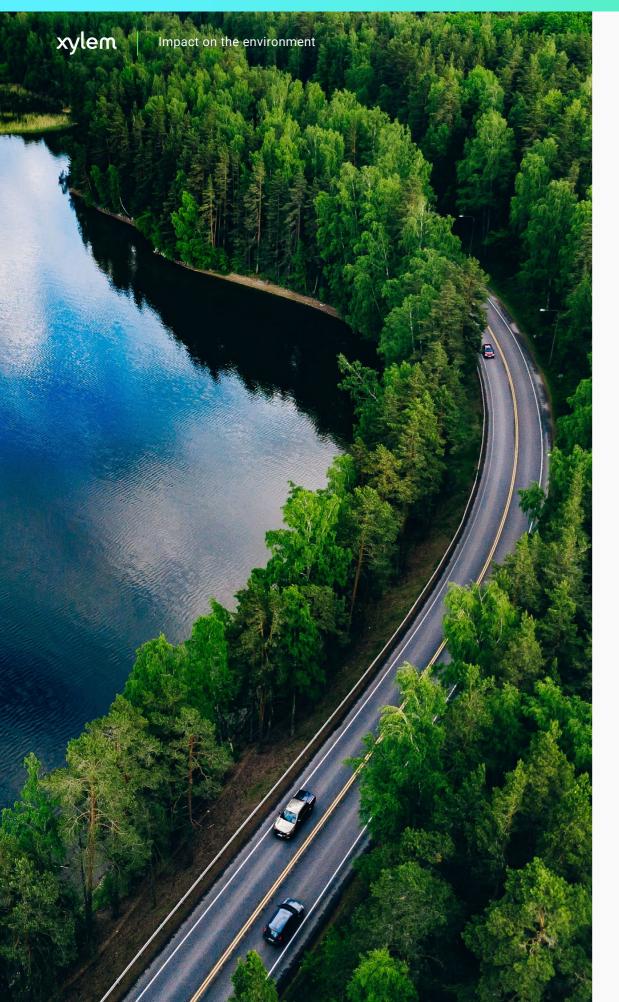
# **Energy consumption**

	2024	2023
Direct energy by type (in megawatt-hours)		
Renewable electricity generated	1,713	1,526
Natural gas	127,784	152,898
Stationary source gaseous propane	20	161
Stationary source liquid propane	1,710	4,729
Stationary source fuel oil	4,144	6,789
Total stationary energy usage	135,370	166,103
Mobile source gasoline	65,157	65,885
Mobile source diesel	116,552	110,027
Mobile source liquid propane	14	1,075
Total mobile energy usage	181,723	176,987
Total direct energy usage <sup>22</sup>	317,093	343,090
Indirect energy by type (in megawatt-hours)		
Purchased electricity	189,500	187,351
Purchased heat	11,235	10,565
Total indirect energy usage	200,736	197,916
Total energy consumption	517,829	541,007
Total revenues (million \$)	8,562	<b>8,146</b> <sup>23</sup>
Total energy intensity (megawatt-hours / million \$ of revenue)	60.5	-

<sup>22</sup> Total direct energy usage = stationary + mobile.

#### 2024 Sustainability Report < 36 >

2024	2023
39,615	14,546
23,074	31,518
48,277	45,064
82,647 1	10,346
66,845,993 61,2	88,587
55,895	57,314
869,497 6	29,286
5,327	6,304
<b>69,050,457 63,3</b>	24,759



#### Fleet efficiency and low-carbon transition

In 2024, reducing fleet-related emissions remained a key focus in our efforts to lower Scope 1 emissions. In 2021, we committed to transitioning 100% of passenger vehicles and 80% of our global fleet - including service vans and trucks - to electric or hybrid plug-in solutions by 2025. While we remain aligned to this strategy, the Evogua acquisition and Xylem's continued growth have expanded our North America-based service fleet. These heavy-duty commercial vehicles support critical services for our customers; however, hybrid and electric options remain limited in North America. While we continue to prioritize lower-emission solutions where possible, it has become evident that our 2025 target is no longer attainable.

To continue momentum, all ordered passenger vehicles in Europe have been electric since April 2021, and in 2024, countries like France and the United Kingdom began exclusively ordering battery-electric vehicles (BEVs) for new passenger vehicle purchases. In other regions, we continue piloting plug-in hybrid and batteryelectric light commercial vehicles. We remain on track to meet our electrification plans in these regions, provided that infrastructure and viable electrified alternatives for medium- and heavy-duty vehicles continue to advance.

Safety remains our top priority, along with reliable product and service delivery. We are leveraging data-driven solutions to reduce emissions, including vehicle telematics technology in Australia and New Zealand to enhance driver safety and sustainability. As we refine our 2030 roadmap for regions like Africa, the Middle East, and Latin America, we will continue investing in electrification, data insights, and operational efficiency to reduce fleet emissions, focusing on innovation and strategic planning to benefit our customers, employees, and communities.

2024 highlights:

- By the end of 2024, more than 1,100 electrified vehicles (EVs) made up nearly 85% of our EU passenger fleet and nearly 60% of our total EU fleet, including commercial vehicles.
- We nearly doubled our fleet of EVs in North America, with more than 460 on the road at the end of 2024.
- More than 30% of new North American vehicle orders were hybrids, supporting fleet sustainability despite shifting manufacturer priorities and reduced incentives.
- Following the Evoqua acquisition, we streamlined North American fleet management under a single provider for better visibility and long-term planning.
- A unified telematics system for legacy commercial fleets is improving fuel efficiency, utilization, and overall sustainability beyond electrification.

#### **Optimizing our operational** energy profile

Our energy profile across manufacturing, office, and service facilities is evolving, with greater adoption of renewable energy - especially at U.S. commercial facilities - alongside global investments in energy efficiency. Through strategic renewable energy purchases, we have greened our energy profile in a cost-effective manner, particularly at facilities lacking access to renewable energy sources. In 2024, 80% of Xylem's electricity was derived from renewable sources.

In 2024, one <sup>24</sup> of the 21 major facilities achieved the significant milestone of using 100% renewable electricity, bringing the total to 19 facilities overall.

### 2024 highlights:

- Our Dubois (Pennsylvania), USA facility upgraded its HVAC system, allowing the removal of one of two outdated and inefficient natural gas boilers. This improvement reduced GHG emissions by 25% and saved 20,000 gallons of water annually.
- At our Emmaboda, Sweden facility, a wood crusher was installed to reduce both internal and external transport of wooden waste. Previously, the facility generated approximately 400 metric tons of wood waste annually, requiring more than 100 transport trips for recycling. With the wood crusher, transport needs have been cut by about 50%, reducing CO<sub>2</sub> emissions by more than 1,000 kilograms per year. Additionally, safety at the facility has improved by minimizing container changes and limiting the need for external waste management vehicles on-site.

## Resource use and circular economy

The circular economy presents an opportunity to use resources more efficiently while reducing the environmental impact of industry.

Xylem brings circularity to life through solutions that enable circular water resource management. We also strive to embed circular principles throughout the life cycle of our products – from sourcing and manufacturing to use and end of life.

Central to a circular economy is the idea of keeping products and materials in use for as long as possible through strategies such as maintenance, reuse, refurbishment, recycling, and composting. By embracing these principles, we unlock innovation, create business value, and contribute to a more sustainable future – for our company, our customers, and the communities we serve.

By enhancing the circularity and efficiency of our products – and helping customers manage water more responsibly – we conserve resources, reduce greenhouse gas emissions and waste, and advance the decarbonization of the water sector. These efforts also drive broader corporate water stewardship.

As a manufacturer of industrial equipment and a leader in the water sector, we are uniquely positioned to help accelerate the transition to a circular economy and more efficient use of resources. We believe these practices not only benefit the environment but also strengthen our business, support our customers' decarbonization goals, and create lasting benefits for the communities we serve. **Xylem products** – The products, solutions, and services provided by Xylem.

**Renewable materials** – Materials derived from biological sources, such as wood or paper.

Water – Water in liquid or vapor form.

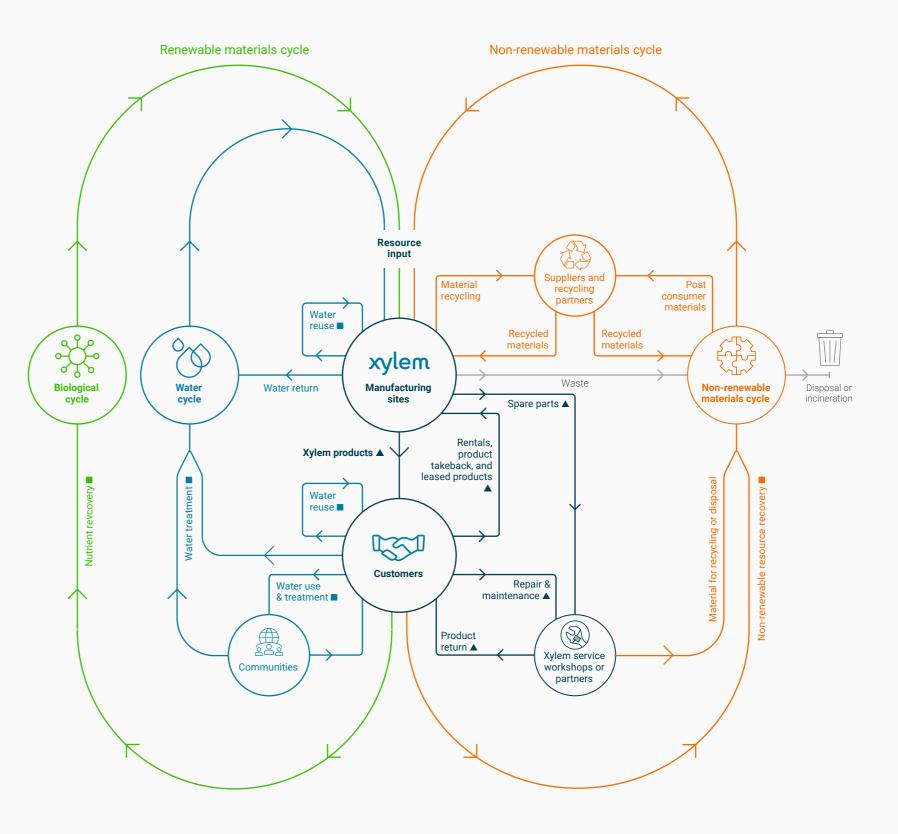
Non-renewable materials – Finite resources, such as iron or copper.

Xylem product use

When our products treat, transport, or measure water — or recover biological nutrients, non-renewable resources, or energy — they help sustain resource flows within the water, biological, and technical cycles.

▲ Xylem products & spare parts

When our products and spare parts are physically moved — whether from our manufacturing sites to customers, between customers and partners, or back to Xylem.



## Spotlight

### Closing the loop: Emmaboda's foundry embracing circular practices

Xylem's Emmaboda facility in Sweden plays a key role in the company's global operations, specializing in wastewater pumping and irrigation solutions. The facility produces up to 150,000 pumps and mixers annually, with some units reaching three meters in size and handling 7,000 liters per second. Covering 400,000 square meters and employing more than 1,350 people, Emmaboda is a highly integrated manufacturing facility – overseeing casting, machining, motor manufacturing, assembly, testing, painting, and worldwide distribution.

With growing interest in circular economy solutions, particularly in Europe, our on-site foundry is working to increase the use of recycled materials while maintaining high product quality. By prioritizing material reuse and waste reduction, the foundry aligns with Xylem's broader sustainability strategy, meeting both regulatory expectations and customer demand for greater transparency in manufacturing processes.

The foundry processes about 18,000 metric tons of iron annually, with a significant portion derived from recycled sources. Of this, more than 85% of the material used comes from recycled or reclaimed sources, either external or internal. This results in high recycled content rates across different materials: approximately 89% recycled content in gray iron castings and approximately 95% recycled content in hard iron products. By increasing the use of secondary materials, the foundry reduces the need for virgin raw materials and contributes to more resource-efficient manufacturing. Waste materials from production are recovered and put back into the melting process whenever possible:

- The foundry sources recycled metal from external suppliers as its primary raw material and reuses 30% of cast iron and 68% of white iron internally, further reducing material waste.
- During machining, metal chips are collected, cleaned, and reintroduced into production.
- Before recycling, cutting fluids are removed to maintain material quality before recycling.
- Defective or surplus cast parts are crushed into smaller pieces and added back into the melting process to minimize waste.

Transitioning to a higher percentage of recycled materials comes with operational challenges. For example, replacing pig iron with fully recycled materials initially led to buildup issues in melting ovens. The team continues to refine the process to find the right balance between efficiency, sustainability, and product performance. Not compromising quality and maintaining reliability, the foundry monitors the quality of molten iron and finished castings at multiple production stages. The team is also working to further optimize recycling rates while maintaining production efficiency and material consistency. Our foundry in Emmaboda demonstrates how industrial manufacturing can integrate circular economy principles – reducing waste, increasing recycled content, and refining material reuse strategies. These efforts contribute to Xylem's broader sustainability goals, helping conserve resources and reduce environmental impact while maintaining the guality and performance our customers expect.

## **85**%

of the material used in our foundry's processes comes from recycled or reclaimed sources, either external or internal.



#### Advancing circularity across the business

Our approach to the circular economy is guided by the vision and principles outlined in ISO 59004:2024. We strive to minimize resource use while maximizing efficiency and effectiveness through product design, operational management, and the solutions we deliver. This ambition has long been embedded in our company, providing a strong foundation for further progress. At the same time, fully realizing our ambition will require continued innovation, collaboration across our value chain, and deliberate, sustained action.

From raw material extraction to the impact our products have throughout their lifecycle, we are committed to reducing resource consumption in manufacturing while maximizing the positive impact of our products during use. Our goal is to keep valuable resources in circulation for as long as possible, ensuring they can be reclaimed at the end of their life, while providing water treatment solutions that help our customers reduce their resource use.

We envision a future where waste is eliminated from the system, the reuse of resources such as water, is the norm, and economic growth is decoupled from the consumption of finite resources. To turn this vision into reality, we are actively investigating and implementing circular practices across our business.

#### **Designing for extended** product lifespan

We aim to design products that are easy to disassemble, service, maintain, and repair. These design principles support efficient material separation at the product's end-oflife, enabling proper recycling. Additionally, our designs incorporate durable structural features that withstand wear and tear while allowing for disassembly, even after extensive use.

#### Partnering with suppliers to increase use of recycled materials

We collaborate with suppliers to incorporate secondary resources and recycle materials from our machining processes, reducing our reliance on virgin, non-renewable inputs. Learn more about how we integrate recycled materials into cast iron production at our foundry in Emmaboda, Sweden on page 39.

#### Advancing circularity across our operations

Since 2019, we have prioritized waste reduction, water reuse, and sustainable packaging as part of our 2025 Sustainability Goals. To date, 19 of our 21 major facilities have eliminated process waste, and 19 facilities recycle 100% of their process water. In packaging, we exceeded our 2025 goal of making 75% of materials reusable, recyclable, or compostable as early as 2021. Today, more than 85% of our packaging materials meet these characteristics.

#### Delivering circular solutions to our customers

Our products and services prioritize circularity, helping customers reduce waste and recover resources. Examples include:

- Rental solutions of pumps and treatment systems for water reuse.
- Wastewater ion exchange solutions for recovering valuable resources from industrial wastewater. Learn more on page 41.
- Hydronic system component reuse through Xylem's Bell & Gossett heating, ventilation, and air conditioning (HVAC) solutions. Read more here.

We are also exploring takeback programs in certain areas of our businesses to meet growing customer interest in circular solutions.

#### Extending product lifespan through maintenance and refurbishment

We aim to maximize product lifespans and resource efficiency by offering maintenance, repair, and refurbishment options. Examples include:

- Wedeco TAK UV systems: Refurbishment and upgrade solutions can extend the lifespan of ultraviolet light (UV) wastewater disinfection systems by 10-20 years to improve disinfection efficiency, increase treatment capacity, and deliver energy and cost savings. Read more here.
- Flygt pumps and mixers: A spare parts policy guarantees availability of spare parts for up to 20 years (depending on the model). Read more here.
- Godwin products: Preventive maintenance services to improve product longevity. Read more here.
- Ebro temperature loggers: In collaboration with a German customer, we have developed a refurbishment program to inspect, clean, recalibrate, and resell loggers to the same customer with renewed warranties.

#### 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 21 major facilities included in our 2025 Sustainability Goal aimed at achieving zero waste to landfill.

In 2024, two <sup>25</sup> additional major facilities successfully reached our target of zero waste to landfill, representing an increase from 17 facilities in 2023 to 19 in 2024. 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.

#### Waste management (in metric tons)

Non-hazardous waste recycled Non-hazardous waste to non-landfill Non-hazardous waste to landfill Total non-hazardous waste

Hazardous waste recycled Hazardous waste to non-landfill Hazardous waste to landfill Total hazardous waste 26

**Total waste recycled** Total waste to non-landfill Total waste to landfill Total waste

#### **Diverting waste from landfill**

Our concerted efforts to increase waste diversion We prioritize the responsible management from landfills at our larger facilities are yielding of hazardous waste, striving to reduce its substantial results. Through on-site initiatives generation wherever possible. Through rigorous and collaborative efforts with suppliers, we are waste management practices, adhering to strict actively reducing packaging, enhancing waste regulatory requirements, and implementing best practices, we aim to minimize the impact segregation practices, optimizing recycling processes, and exploring innovative reuse of hazardous materials on the environment, methods. In 2024, Xylem recycled 31,361 metric demonstrating our dedication to environmental tons of waste representing approximately 61% stewardship in all aspects of our operations. of the waste generated. More than 82% of our packaging material is comprised of reusable, recyclable, or compostable content, exceeding <sup>25</sup> Quenington and Stara Tura – both facilities in our 2025 Sustainability Goal of 75%. Europe <sup>26</sup> As compared to 2023, there has been an increase in hazardous waste treated in 2024. 2024 highlight: This is mainly due to our legacy Evogua facility in Roseville (Minnesota), United States – a specialized treatment storage disposal facility In 2024, our Texarkana (Arkansas), (TSDF). Roseville treats both hazardous and USA facility launched a powder waste non-hazardous waste for customers, including metal extraction and material consolidation for recycling initiative to reduce landfill waste. Epoxy powder previously accounted for



approximately 10% of the facility's process waste sent to landfill each year. This new initiative is expected to increase the facility's overall recycling rate from 93% in 2024 to 95% by the end of 2025.

2023	2024
32,067	29,608
1,588	1,594
8,053	6,455
41,708	37,657
1,241	1,753
13,393	12,009
63	89
14,698	13,851
33,308	31,361
14,981	13,602
8,117	6,544
56,406	51,507

#### Management of hazardous waste

- recycling or disposal. 90% of the hazardous waste categorized as non-landfilled originates from liquid hazardous waste generated and treated on-site. Following treatment, the wastewater is discharged as non-hazardous. Unlike typical manufacturing facilities, Roseville minimizes landfill reliance by managing hazardous waste in-house.

## Spotlight

## Our Wastewater Ion Exchange – a sustainable solution for industrial wastewater

In the heart of Twin Cities, Minnesota, Xylem's Wastewater Ion Exchange (WWIX) service is redefining sustainable wastewater treatment for industrial and commercial manufacturers. With a focus on environmental stewardship and operational efficiency, this innovative service is helping businesses meet strict discharge requirements while reducing environmental impact and lowering costs.

Manufacturers across industries generate wastewater containing heavy metals like zinc, copper, nickel, and chromium. Traditional treatment methods can be costly, laborintensive, and inefficient, often resulting in significant waste. Our WWIX service provides a game-changing alternative. Through a service-based model, customers receive prefilled ion exchange tanks designed to remove contaminants effectively. Once exhausted, these tanks are replaced with fresh ones. The used material inside the tanks, known as spent media, is then transported to our regeneration facility, where it is cleaned and prepared for reuse. The impact of our WWIX service extends far beyond compliance. By recovering heavy metals and minimizing hazardous waste disposal, customers significantly reduce their environmental footprint. The process supports circular economy principles by regenerating ion exchange media, diverting waste from landfills, and reducing the need for new raw materials. Additionally, the system's low-maintenance design minimizes operator intervention, allowing businesses to focus on their core operations.

Our Roseville (Minnesota), United States facility exemplifies Xylem's commitment to provide customers with tailored solutions that adapt to evolving needs, offering customers a local, reliable, and circular option for wastewater treatment and enabling them to reduce their overall water consumption.

Watch the video here.

## 7.95M

gallons of customers' water were treated for reuse or safe discharge through wastewater treatment and ion exchange processes at our Roseville facility in 2024.



## **Biodiversity**

Our products and services empower our customers to protect biodiversity and water resources, contributing to a healthier natural environment. Additionally, the knowledge, passion, and hands-on efforts of Xylem employees and partners have had a tangible impact on watersheds where we live and work. This includes collaborating with suppliers, channel partners, and customers to mobilize action worldwide.

#### Watershed restoration

In 2024, Xylem employees around the world dedicated 32,000 hours to more than 440 volunteer events designed to protect their local watersheds and preserve biodiversity.



- In April, the Procurement team at our Montecchio, Italy facility in Italy hosted a Watermark event with team members and representatives from eight suppliers. The day included a presentation on Watermark's mission and a plogging activity at Fimon Lake in Vicenza, combining environmental cleanup with a nature hike. This initiative fostered stronger supplier relationships, encouraged team building, and emphasized the importance of preserving natural environments.
- Participation in Xylem Watermark's twomonth Watershed Challenge initiative doubled compared to 2023, with 4,300 employees and partners engaging in handson efforts to protect and restore water ecosystems. Activities included removing invasive species, planting trees, cleaning waterways, constructing rain gardens, labeling storm drains, and testing water quality.
- We also partnered again with Stroud Water Research Center, a US-based leader in freshwater science and education, to host an educational webinar. This session provided participants with practical resources to protect and monitor their local watersheds, empowering communities to actively safeguard their local environments for future generations.



### Enhancing biodiversity and ecosystem health: Tree planting at Wadhwana Wetland



80 employees from our Vadodara, India facility planted trees at the nearby Wadhwana Wetland, a Ramsar wetland of international importance.

A Ramsar site is a wetland designated under the Ramsar Convention, an international treaty adopted in 1971 to recognize and protect wetlands of global ecological significance. These wetlands are critical for biodiversity, providing essential habitats for wildlife, particularly waterbirds, while also supporting human well-being by regulating water cycles, mitigating floods, and storing carbon.

Wadhwana Wetland exemplifies this importance by serving as a vital wintering ground for more than 80 migratory bird

species, including threatened and nearthreatened species such as the Dalmatian Pelican and the Oriental Darter. Situated along the Central Asian Flyway, the wetland acts as a crucial stopover for birds undertaking long migratory journeys, offering food, water, and shelter critical to their survival.

Tree planting efforts around the wetland enhance its ecological value by creating nesting and roosting habitats for birds, improving water quality through natural filtration, and supporting soil stability to prevent sedimentation. Additionally, the wetland supports aquatic biodiversity, contributes to nutrient cycling, and serves as a water reservoir that benefits nearby communities.

By protecting Wadhwana Wetland, Xylem reinforces its commitment to conserving globally significant ecosystems, showcasing the interconnectedness of biodiversity, healthy ecosystems, and human and environmental health.

"Planting a tree is more effective in combating pollution than wearing a mask. Trees are essential to life and vital for a healthier environment."

**Dipti Pathak** Watermark Champion and Deputy Manager Finance at Xylem, India

## Product sustainability

The positive environmental impacts our products enable are what we call a product's "handprint," while the total environmental impacts across all life stages of a product are known as its "footprint." Increasingly, our customers evaluate the balance between the two - how a product's handprint can help reduce their operational environmental impacts and mitigate the effects of a product's footprint throughout its life cycle.

Our commitment to transparently disclosing both the handprint and footprint of our products provides customers with the comprehensive data they need to make informed purchasing decisions and enhance their operational reporting. At the same time, it allows us to monitor and continuously improve our portfolio's sustainability performance.

In 2019, we established four product-based 2025 Customer Sustainability Goals to track how our products enable our customers to reduce their environmental impacts. Building on that foundation, in 2024, we introduced a new 2030 Customer Water Stewardship Goal to further measure the positive impacts facilitated by our solutions.

<sup>27</sup> This goal is included as a key performance indicator (KPI) in our five-year revolving credit facility entered in 2023 and will be tracked throughout the duration of the agreement.

#### **Progress on product-based** customer sustainability goals

Our first set of goals, the 2025 Customer Sustainability Goals, used two distinct methodologies:

- Sales Year Accounting Method: This approach attributed the full lifetime impact of our solutions to the year the project was sold. It was used for our goals related to reuse, non-revenue water, and CO2e reduction. Solutions included in these goals are often installed for long lifetimes, delivering positive impacts well into the future.
- Contribution Method: This approach attributed impact only from specific projects, used for our pollution prevention goal. These solutions are typically installed for limited periods of time to reduce pollution overflow.

Looking ahead, we continue to advance how we measure the positive environmental impact - or handprint - our solutions deliver for customers. Our 2030 Water Stewardship Goal, introduced in 2024, builds on our 2025 Goals and brings us closer to aligning with how our customers track and report their own environmental performance.

Our goal reflects our ability to enable customers reduce the annual impact of their water use through a wide range of Xylem solutions, including leak detection, water reuse, and on-site water management services.

Since announcing our 2030 Goal, we have developed calculation methodology and begun tracking progress in 2025. We look forward to sharing our first year of results in next year's report.

#### **2025 Community Sustainability Goals**

#### O Goal 1

Enable customers to reduce more than 3.5 billion cubic meters of non-revenue water by 2025

# 3.71BM<sup>3</sup>

Progress since 2019 3.71 billion m<sup>3</sup> (Goal surpassed)

#### Calculation method:

Total reported volume of leaks reduced following digital or one-time inspection services and average reduced leak, or non-revenue water detected by smart water metering solutions.

Product groups/products included: Smart metering, assessment services, and leak detection solutions.

#### O Goal 3

0.74BM<sup>3</sup>

Enable customers to prevent more than 7 billion cubic meters of polluted water from flooding communities or entering local waterways by 2025

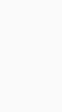
> Progress since 2019 10.74 billion m<sup>3</sup> (Goal surpassed)

#### Calculation method:

Total reported volume of contaminated water pumped in temporary rental solutions and total reported volume of wastewater reduced in annual sewer overflow.

#### Product groups/products included:

Dewatering rental pumping and digital wastewater network optimization solutions.



O Goal 4



43 >



#### Enable customers to treat more than 13 billion cubic meters of water for reuse by 2025



#### Progress since 2019 18.15 billion m<sup>3</sup> (Goal surpassed)

#### Calculation method:

Total reported volume of water reuse enabled by a sold product throughout its operational lifetime.

Product groups/products included: UV, ozone, advanced oxidation, and filtration treatment systems.

#### Enable customers to reduce water's CO<sub>2</sub>e footprint by more than 2.8 million metric tons by 2025<sup>27</sup>

#### Progress since 2019

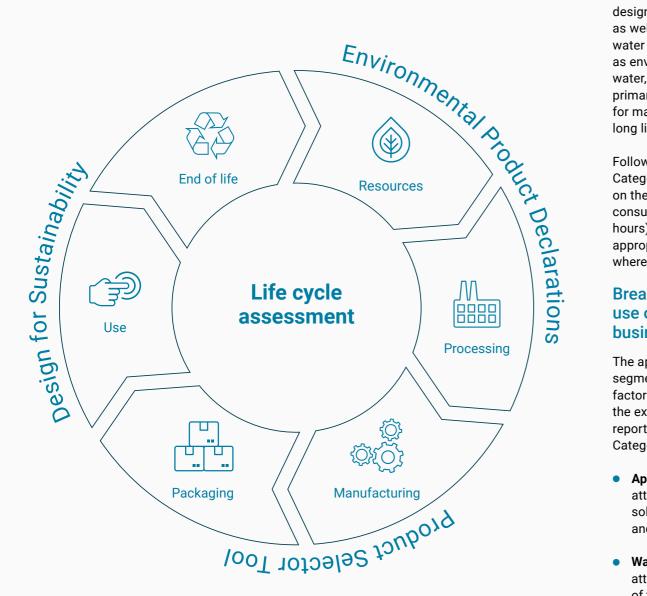
6.43 million metric tons (Goal surpassed)

#### Calculation method:

Total reported energy efficiency improvement of installed solutions, relative to regional GHG emissions factor and reduced distance driven by installation of smart metering.

Product groups/products included:

Transport, dewatering, treatment, and smart metering solutions.



#### Our product's role in reaching net-zero

Emissions from the use of our sold products (Scope 3, Category 11) account for more than 96% of our total emissions across our value chain. A significant portion of our portfolio is designed to treat, move, and manage water as well as optimize and manage complex water systems, delivering critical benefits such as environmental protection, clean drinking water, and sanitation services. These products primarily operate on electricity, often running for many hours each day, and typically have long life cycles, lasting more than a decade.

Following GHG Protocol's methodology, our Category 11 emissions are calculated based on the average power draw (kW) or fuel consumption rate and lifetime use (running hours). These factors are multiplied by the appropriate emissions factor of the country where the products are sold.

#### Breakdown of emissions from the use of our sold products by business segment

The approximate share of emissions for each segment may fluctuate annually based on factors such as sales volume, product mix, and the execution of large projects. Based on 2024 reported emissions, the breakdown of Scope 3, Category 11 emissions is as follows:

- **Applied Water:** Approximately 40% are attributed to Applied Water pumping solutions supporting industrial, commercial, and residential customers.
- Water Infrastructure: Approximately 55% are attributed to Water Infrastructure's portfolio of transport and treatment solutions. Notably, our Custom Pump portfolio including very large pumps often deployed in large-scale projects in regions such as China or India – can account for up to 15% of Xylem's total Scope 3, Category 11 emissions in a given year. 28 This means that a small number of projects can significantly impact total Category 11 emissions.

- Water Solutions and Services: Less than 5% are associated with the Water Solutions and Services portfolio.
- Measurement and Control Solutions: Most products within this segment, such as Smart Metering, operate on long-life batteries and have a negligible impact on our Scope 3, Category 11 emissions.

#### Regional considerations in our emissions calculations

In calculating emissions associated with Scope 3 Category 11, we take into account the destination country of our products sold, and regional emissions factors can significantly impact use-phase emissions of our products. For instance, a large custom pump or treatment installation in India, with its higher regional emissions factor, will have a much larger emission footprint than the same project installed in Europe or other regions with lower emission factors.

#### Striving for continuous improvement in emissions reporting

We continue to identify opportunities to enhance the accuracy of our Scope 3, Category 11 emissions reporting by refining the values and methods used in our calculations, leveraging the best available equipment usage data. These updates improve the accuracy and reliability of our Scope 3 emissions reporting, enabling more informed sustainability assessments.

For more information, please see page 84.

#### Advancing sustainability through product life-cycle insights

In 2024, we continued to build our life-cycle assessment (LCA) capabilities, aligning with ISO 14000 standards to evaluate the environmental impacts of our products across their life cycles. These advancements enabled

us to successfully conduct LCAs and produce product sustainability reports (PSRs) for several of our product lines.

As part of this work, we have conducted LCAs and developed product sustainability reports (PSRs) for several key product lines, including the Lowara Ecocirc XL, the Flygt Concertor 6020, and the Flygt 3000 series. These reports provide comprehensive, standardized insights into each product's environmental footprint, demonstrate the benefits of our sustainability initiatives, and support continuous improvement in product design. By prioritizing transparency and accountability, we are not only strengthening customer trust – we are helping build a more water-secure future.

#### Meeting the growing demand for environmental product declarations

As customer expectations for transparent, standardized sustainability information continue to rise, we are advancing our capabilities to deliver high-quality environmental product declarations (EPDs). EPDs, which provide reliable insight into a product's environmental performance, are becoming a key tool for informed purchasing and regulatory compliance.

However, while product category rules (PCRs) - the foundation for creating validated EPDs are well-established in sectors like consumer goods and construction, they remain limited in the water industry. To address this gap, we are leveraging our expertise to help drive the development of relevant PCRs for water sector products. This effort enables us to better meet customer needs, particularly around upstream carbon footprint data, including raw material extraction, manufacturing, and packaging.

#### **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 must be considered at all stages of product development and support, prioritizing customer safety in product design, manufacturing, maintenance, and end of life.

Our Product Safety Management System comprising Product Safety Review Committees and a Product Safety Manual – provides a structured approach to incident management. All safety-related incidents are reviewed at multiple levels, incident management is tracked, and roles, responsibilities, and annual training are well-documented. Additionally, product safety dashboards are used across all business units and reviewed quarterly by the Product Safety Steering Committee.

In 2024, we expanded our product safety process and reporting to cover the entire Xylem business. Over the year, we recorded 26 product safety inquiries across Xylem, of which 18 were classified solely as inquiries. Six were near misses, 19 were low-potential safety hazards that were mitigated or eliminated upon resolution, and one was a moderate incident with no reported personal injury. Each incident led to one or more corrective actions to prevent future occurrences.

#### Product safety risk assessments

We evaluate safety risks for new and modified products, particularly when design changes may impact safety. Our proactive approach involves assessing and documenting product safety risks during development. Any unacceptable risks are addressed through design improvements before a product is released. Additionally, we review all product safety incidents at the local level. Depending on the severity, incidents may be escalated to the relevant Product Safety Review Committee to develop a risk mitigation plan.

## Spotlight

### Strengthening product safety through proactive audits and corrective action

Product safety is embedded in every stage of our process, from design to deployment. An internal audit review of the electric panel switch in our Domestic Pump product line in early 2024 highlighted the importance of continuous oversight and improvement. We identified that our switch supplier had undergone significant changes, including plant relocations and personnel shifts.

During our audit, we found that while the switch was designed to meet a Type 4/4X environmental rating <sup>29</sup>, the vendor's packaging lacked the required Underwriters Laboratories (UL) certification labeling <sup>30</sup> – a necessary step for official recognition of the rating.

Although the units in the field had gasketing similar to Type 4/4X switches, the absence of certified testing and labeling prevented UL recognition. To address this, Xylem Engineering took corrective action by sourcing switches from a new supplier that provides ULcertified environmental ratings. The newly sourced switches met all compliance requirements, with proper markings on the product and packaging.

Expanding on this effort, in October 2024, Xylem Engineering conducted a comprehensive review of all agency-rated components used in the Domestic Pump product line. This review confirmed that all required components and packaging



display evidence of agency-certified compliance.

With all corrective actions completed, this product safety record was successfully closed – demonstrating Xylem's commitment to product integrity and customer safety.

- <sup>29</sup> A Type 4/4X environmental rating is a standard established by the National Electrical Manufacturers Association (NEMA), indicating that an electrical enclosure is weatherproof and built from corrosion-resistant materials to withstand harsh conditions. Read more here.
- <sup>30</sup> UL certification labels testify to a product's compliance with strict safety standards essential for manufacturers, organizations, and consumers

xylem

## Impact on society

Xylem is a purpose-driven company committed to aligning our business with building a more resilient society. We recognize that our success is built on the strength of our relationships - with colleagues, customers, suppliers, and communities.

By fostering an inclusive and safe environment, we cultivate an engaged, productive, innovative, and collaborative workforce - increasing retention and enhancing economic stability for our people. Our High-Impact Culture promotes agility and efficiency, empowering employees to deliver strong outcomes for our customers and communities while creating lasting value for the business.

Upholding human rights and ethical business practices across our operations and supply chain builds trust and strengthens resilience. Engaging with responsible suppliers minimizes potential risks related to labor and environmental compliance. Through our global corporate responsibility program, Watermark, we empower employees, suppliers, and partners to create meaningful impact in communities around the world while fostering strong partnerships.

By driving positive impact in communities, we not only advance our commitment to improve water security and advance public health for those who are under-resourced and water-insecure, we also enhance our competitive edge, attract top talent, and build long-term business success.



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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. This commitment encompasses internationally recognized human rights as defined by the International Bill of Human Rights, which consists of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural 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 and the Women's Empowerment Principles. While first following local regulations, we are also committed to principles in other widely accepted international human rights conventions, including the International Convention on the Elimination of All Forms of Racial Discrimination, the Convention on the Elimination of All Forms of Discrimination Against Women, the Convention on the Rights of the Child, the Convention on the Rights of Persons with Disabilities, the Charter of Fundamental Rights of the European Union, and the American Convention on Human Rights.

Our <u>Human Rights Statement</u> formalizes our long-standing commitment to uphold and respect human rights, establishing the overarching principles that are reflected within our policies and management systems. It sets the fundamental standards for business conduct and human rights, guiding us as we seek to identify and manage the human rights impacts, mitigate risks, and transparently engage with our stakeholders.

We have established due diligence processes to prevent, mitigate and address adverse impacts on human rights and the environment, following the guidelines established by the OECD Due Diligence Guidance for Responsible Business Conduct and the United Nations Guiding Principles on Business and Human Rights.

Additionally, we are continuing to establish appropriate controls designed to prevent, mitigate, or eliminate relevant risks and prevent abuses, including through corrective actions in EcoVadis, our Conflict Minerals program, and subject-specific assessments and audits. We monitor the effectiveness of our controls and provide for, or cooperate in, remediation when appropriate. We recognize that our commitment to advancing human rights is an ongoing effort and we continue to work to evolve our human rights program to meet challenges we may face.

#### Supporting policies and positions

- <u>Code of Conduct</u>
- Business Partner and Supply Partner
   <u>Code of Conduct</u>
- <u>Statement on Efforts to Combat</u> <u>Modern Slavery</u>
- <u>Conflict Minerals Policy</u>

#### Training

Our employees are trained in human rightsrelated policies and procedures through our Code of Conduct annual training. In 2024, 99% of our employees completed the online Ethics and Compliance training, which includes a module on our Code of Conduct, and certified their compliance with its mandate.

## Human rights in our supply chain

In early 2024, we updated our <u>Business Partner</u> and Supply 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 across our supply chain.

At the end of 2023, we began engaging with Evoqua suppliers active on EcoVadis. Throughout 2024, their strong participation further enhanced supply chain transparency and risk mitigation. By year-end, more than 1,000 suppliers held active EcoVadis scorecards, covering 42% of Xylem's global spend. Each year, we assess our suppliers' labor and human rights practices through the EcoVadis platform. This evaluation verifies that suppliers have appropriate policies in place, confirms that these are aligned with international standards, and assesses how effectively the policies are implemented.

If a supplier is classified as "high sustainability risk," an internal risk mitigation workflow is triggered. Given the complexity of human rights and labor risks, each case is managed individually. Depending on supplier cooperation and the severity of identified issues, actions may include implementing corrective action plans via EcoVadis, targeted supplier assessments, educational training programs, and, if necessary, on-site audits.

Based on EcoVadis assessments, expert analysis, and 360° Watch Findings (Al-driven risk monitoring), no major violations of human rights or labor practices were identified in 2024.

#### **Modern slavery**

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

Through EcoVadis' 360° Watch Findings tool, we continuously monitor public and private news sources for reported incidents that could negatively impact Xylem's relationships with its partners. Additionally, we leverage EcoVadis' IQ Risk Management Tool to conduct high-level risk analysis, providing insights into potential supplier risks. **99%** 

of our employees completed the online Ethics and Compliance training.

**42%** of Xylem's global supplier base by spend held an active EcoVadis scorecard.

## Our people

Our success is driven by a global workforce united by a shared purpose - to empower our customers and communities to build a more water-secure world. We cultivate a High-Impact Culture where employees are inspired to innovate, empowered to lead, and accountable to deliver.

We aim to create an environment where employees feel valued and heard, have opportunities to grow, bring their authentic selves to their work, do their best work, and experience a strong sense of belonging.

Over the past year, we have continued to evolve our organization to create value for our customers, shareholders, and communities. By embracing inclusion and belonging and fostering an environment of continuous learning, we fuel innovation. By staying attuned to our customers' needs and building trust through transparency, we empower our teams. And by promoting clarity and focus, we strengthen our commitment to deliver results for each other, our customers, and the communities we serve together.

#### **Talent management**

We are committed to empowering Xylem employees with the skills to drive our success and their success.

Developing and implementing policies and programs that promote inclusive, merit-based hiring, retention and promotion, professional development and learning, comprehensive benefits, and competitive compensation are essential to our success. In 2024, we reinforced existing initiatives and introduced new programs and policies to further strengthen our talent management approach.

#### Recruiting and hiring top talent

We are dedicated to developing the next generation of water leaders.

#### Youth engagement programs

To build awareness of global water challenges, we engage and equip young people to become the next generation of water leaders.

In Sweden, we participated in Introduce a Girl to Engineering Day, organized by Womengineer, to encourage young women to explore engineering careers. Twenty students, aged 13 to 19, visited our Sundbyberg facility, toured a lab, and engaged in hands-on water testing assignments, introducing them to real-world applications in the water sector.

In 2024, we also collaborated with a local high school in Emmaboda, Sweden, where we have significant operations, for our Industrial Technology Program. In their third year, students undertake a thesis project, typically based on an assignment from Xylem. Upon graduation with passing grades, they are guaranteed a six-month probationary employment period with Xylem, with most program graduates transitioning

into permanent positions. Graduates qualify as upper-secondary engineers, prepared for roles such as production technicians.

We also continue to support various youth engagement programs, including Xylem Ignite, the Stockholm Junior Water Prize, Water Heroes Academy, and EarthEcho. For more information, please see "Youth engagement" on page 73.

#### Local university student and graduate programs

To attract and hire students across the globe, we maintained a localized approach, tailoring strategies to secure top talent for our entrylevel programs. Our University Champions play a key role in building relationships with select universities, directly engaging with students and sharing their experiences. Regional highlights included:

- United States: We continued our university recruitment efforts through career fairs, Senior Design Project sponsorships, and speaking engagements.
- Sweden: We continued our partnership with Cogig's Female Technical Engineer program, connecting with female engineering students from leading technical universities.
- South Africa: We enhanced our advanced leadership initiatives by introducing an Apprenticeship and People with Disabilities Learnership program. This 12–36-month company-based training equips participants with technical skills, workplace experience, and social competencies, fostering confidence and inclusion. Additionally, we participated in the Soweto Career Fair, engaging with a wide range of talent, including young people with disabilities, to build a strong entry-level talent pipeline.

- Middle East & Türkiye: We successfully launched an internship program for rece graduates, hosting 12 interns for three months and providing cross-functional exposure to enhance their professional development.
- India: We collaborate on research programs and actively participate in professional forums, creating opportunities to engage with university professionals, foster partnerships, and attract top graduate talent.

#### Other hiring programs

We continued to implement hiring initiatives aimed at attracting talent at all career levels, fostering a more inclusive workforce. For more information, please see "Inclusion and belonging" on pages 55-59.

#### Veteran hiring program

In 2024, we continued our commitment to providing transitioning military personnel with hands-on internship opportunities at Xylem. This initiative helps participants develop valuable skills and gain industry experience, paving the way for a smooth transition into fulltime roles after their military service.

#### Fair chance hiring program

To expand access to employment opportunities, we further advanced our fair chance hiring practices in select locations in the United States, offering career opportunities to individuals with criminal records. Partnering with Envoy, we extended the program to four additional locations. We also joined the Second Chance Business Coalition. This program includes strategic planning, talent recruitment, policy updates, community partnerships, and specialized training for employees and hiring teams. It allows us to access talent primarily for roles in certain of our manufacturing locations.

#### Onboarding

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In 2024, we focused on creating an onboarding experience that welcomes new employees, empowers them to succeed, and accelerates their ability to make contributions. Guided by feedback from new employee surveys, we enhanced the onboarding process through personalization, streamlining, and standardization. Key achievements included:

- Pre-onboarding enhancements: Introduced onboarding roadmaps to provide clear guidance and a warm welcome before day one.
- Streamlined and standardized processes: Simplified and standardized onboarding materials and resources for easy access and consistency across new employees, Human Resources, and hiring managers.
- Personalized experience: Clarified and augmented the hiring manager role to offer tailored support and a more relevant onboarding journey by role.
- Modernized tools: Launched updated **CEO Welcome and Company Overview** videos, along with refreshed templates and eLearning modules to better equip hiring managers.

Looking ahead to 2025, we will introduce a **Global New Hire Orientation eLearning Program** to create a unified and simpler onboarding experience across the organization while maintaining the hiring manager's role.

#### xylem Impact on society

## Performance, learning and development

We are committed to empowering employees to reach their full potential through continuous learning, development, and knowledge-sharing. In 2024, we integrated our High-Impact Behaviors into our performance management system and our development programs.

#### Performance management

Our performance management system "Connect. Perform. Grow." (CPG) is designed to foster ongoing, meaningful conversations between managers and team members to set goals, assess performance, and identify growth opportunities. This regular dialogue includes coaching and peer feedback to support professional development. In 2024, we enhanced the process and system to reinforce High-Impact Behaviors.

#### Learning

We follow the 70/20/10 learning model, recognizing that 70% of learning happens on the job, 20% through interactions with employees, customers, and partners, and 10% via formal training.

Our learning management system offers formal learning opportunities through on-demand and instructor-led training in leadership, professional skills, technical expertise, and role-specific competencies. In 2024, employees averaged 16.4 formal learning hours each.

16.4 formal learning hours on average per employee.

#### Building a strong talent pipeline

To support career growth, internal mobility, and succession planning, we provide comprehensive talent development programs across all levels, businesses, and functions. These initiatives include entry-level recruitment, emerging leader development, first-time leader cohorts, mid-level leadership programs, and executive leadership development.

#### High potential talent and leader development

In 2024, we launched a range of leadership programs designed to cultivate emerging talent and strengthen our leadership pipeline:

- New Manager Orientation: A self-paced learning journey designed for newly hired or promoted managers, equipping them with essential knowledge to support their teams throughout the employee life cycle. Optional courses offer additional skill-building opportunities, including how to empower employees, foster personal and team creativity, deliver growth-oriented feedback, and build a positive and inclusive workplace.
- Impactful Leadership Essentials: A cohortbased program for first-time leaders, focused on foundational leadership skills. More than 300 managers participated worldwide.
- Emerging Leaders: More than 45 highpotential employees participated in three function-specific cohorts focused on Supply Chain, Innovation & Technology, and Strategy.
- Manager to Leader: A nine-month, cohortbased initiative designed to prepare 20 highpotential, mid-level managers for expanded people leadership responsibilities.
- Growth Talent Sponsorship: An 18-month program providing career advocacy and guidance to accelerate the growth and visibility of high-performing mid-level talent. In 2024, 18 high-potential employees were paired with sponsors from middle management. The next cohort begins in the second half of 2025.

- Senior Leader Sponsorship: This 18-month program supports high-potential leaders by providing career advocacy, fostering a growth mindset, and strengthening the leadership pipeline. The inaugural cohort of 15 senior leaders completed the program in 2024, with 27% receiving promotions or role changes. The next cohort begins in early 2025.
- McKinsey's Connected Leaders Academy: Thirty-two early-career professionals and three experienced leaders in the United States participated in this external leadership series program.
- Executive Development Program: A yearlong, cohort-based program aimed at enhancing enterprise leadership skills among 20 high-potential senior leaders. The program equips participants with the skills to drive enterprise initiatives and prepares them for succession into senior leadership roles. The program also includes engagement with Xylem's Board of Directors.

#### **Global Leadership Team development**

In 2024, members of our global leadership team (top 150 leaders) participated in workshops to identify and leverage individual and team strengths, enhancing overall team effectiveness. Additionally, they engaged in a six-week Aligned Leader Program, equipping them with tools to lead through influence, foster enterprise alignment, and address key blockers that may hinder strategic progress. This focused leadership development aimed to strengthen alignment across the enterprise, deepen connections, and accelerate our High-Impact Culture to drive our strategic priorities.

### Expanding learning and development opportunities

To support continuous growth, we introduced a Learning and Development Opportunities Guide, helping employees identify formal learning experiences aligned with their career objectives. We also expanded openenrollment courses, with a particular focus on communication skills, presentation techniques, and storytelling in business contexts.

#### Early career development

Our early career programs provide participants with rotational experiences in key roles aligned with Xylem's strategy. These programs offer exposure to different business areas, networking opportunities, and structured development. In 2024, more than 80 employees across Finance, Operations, Engineering, and Commercial functions took part. Additionally, we hosted our second Talent Accelerator Program, bringing in nine emerging talents for a 16-week training cohort, followed by placements in sales roles across the United States.

#### **Xylem's Innovation Champions**

Launched in 2022 in partnership with Xylen Innovation Labs, the Innovation Champion program offers employees hands-on exper with emerging technologies while expandir their skills and networks. Participants collaborate with startups and Xylem Innov Labs team members, providing subject matter expertise and advocating for new technologies within Xylem. To date, 168 employees have participated, averaging m than 40 participants annually. A participant shared: "The program turned out to be even more impactful than I expected, providing an immersive experience that expanded my knowledge and allowed me to contribute meaningfully to real-world projects."

#### Social impact leadership opportunities

Through Xylem Watermark, more than 500 employees dedicated volunteer time in leadership roles supporting social impact initiatives. These experiences provided invaluable leadership development while advancing Xylem's mission to drive positive change in communities. For more information, please see "Employee and stakeholder engagement" on page <u>69</u>.

#### Recognition

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rams oyees and ally, S	Rooted in our High-Impact Behaviors, our recognition programs allow employees to recognize and celebrate the exceptional contributions of one another by providing both monetary and non-monetary rewards. In the second half of 2024, we began consolidating our recognition programs and platforms into a unified program on a single platform, which begins launching in early 2025.
ed	This approach is designed to foster a sense of belonging, enhance collaboration, and promote
	a High-Impact Culture by making recognition more accessible, equitable, and meaningful for
m	all employees. It enables managers to easily
IS	celebrate achievements and reinforce our
rience ing	company values, while also providing data- driven insights to improve effectiveness and
ing	streamline recognition efforts. For employees,
vation	the experience of being acknowledged by peers and leaders increases job satisfaction, strengthens connections across teams, and contributes to a positive, inclusive workplace
ore	that grows alongside the organization.
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#### xylem

#### Impact on society

## Spotlight

### Shaping the future of Xylem's global leadership



#### LaShondra Edwards

Sr. Director 80/20 & Transformation for Measurement and Control Solutions

(Morrisville, North Carolina, United States)

"The Executive Development Program was a transformative experience that strengthened my leadership skills in self-leadership, team leadership, and enterprise leadership. Through in-person learning, coaching, and collaboration, I gained invaluable insights into strategic thinking, communication, and team dynamics. This journey not only shaped my confidence as a leader but also empowered me to bring my authentic self to work – driving meaningful change and delivering exceptional value to our customers."



**Alberto Vasquez** Value Stream Manager

(Morton Grove, Illinois, United States)

"The Impactful Leadership Essentials program equipped me with strategic decision-making, team engagement, and performance management skills, enhancing my confidence and adaptability as a leader. This training refined my leadership approach, enabling me to mentor my team more effectively, approach problemsolving more proactively, and drive initiatives with greater efficiency. By applying these principles, I've fostered stronger team cohesion, improved operational performance, and enhanced cross-functional communication – delivering greater value to our customers."



**Praveen Gaikwad** General Manager Engineering (Mumbai, India)

"The Innovation and Technology Leadership Development Program provided me with invaluable networking opportunities, direct exposure to Xylem leadership, and a deeper understanding of our products. services, and business strategies. Collaborating with internal experts worldwide and external facilitators sharpened my problem-solving skills through innovative design thinking and structured creativity methods. The program enhanced my executive capabilities, enabling me to make more strategic decisions and demonstrate high-impact leadership behaviors in my daily project work. By cultivating an agile mindset and a collaborative approach, I have helped drive a dynamic work environment, more effective change management, and ultimately, greater customer satisfaction through faster, more thoughtful solutions."



Samantha Bootsman Managing Director, BeNeLux (Dordrecht, The Netherlands)

"The Manager to Leader program equipped me with essential leadership skills, enabling my growth as a business and change leader. It deepened my selfawareness, adaptability, and empathy, empowering me to engage more effectively with others, foster an inclusive environment where teams thrive, and lead through change with cultural sensitivity. By applying these skills, I've contributed to stronger team dynamics, improved conflict resolution, and drive innovation helping both me and the company succeed and grow in an increasingly interconnected and dynamic global market."



#### **Talia Mekinulov**

**Engineering Leadership Development** program participant (Washington, DC, United States)

"Xylem's Engineering Leadership Development program has been a transformative journey, shaping me into a more agile, collaborative, and purpose-driven professional. By navigating new roles in different locations, expanding my global network, and applying new skills, I have strengthened my leadership confidence and deepened my understanding of how to contribute to solving complex water challenges. This program has not only enhanced my technical and leadership skills but has also deepened my commitment to working for an organization that aligns with my values and drives innovation for a sustainable future. Embracing change and fresh perspectives fuels progress, enabling us to push boundaries and create impactful solutions for both our customers and the communities we serve."



#### **Tim Holm Svensson**

**Operations Leadership Development** program participant

(Emmaboda, Sweden)

"Xylem's Operations Leadership Development program has been a catalyst for my growth, providing invaluable industry insights and a dynamic rotation schedule that accelerated my business acumen. This experience empowered me to challenge existing processes, drive continuous improvement, and foster a High-Impact Culture that inspires others to grow and lead change. Along the way, I've refined my decision-making, recognizing the value of stepping back before executing, and embraced lean principles across my rotations including my current role as a project manager – driving smart product development to strengthen our market position and deliver lasting impact for our customers."

#### **Compensation and benefits**

We are committed to offering Xylem employees competitive compensation and benefits through a total rewards approach that integrates compensation, benefits, and wellbeing programs. <sup>31</sup>

As part of our global well-being framework, we provide benefits that address the varied and interconnected aspects of employees' lives - physical, mental, emotional, social, and financial well-being. While benefits vary by country, location, role, and level, our competitive compensation and benefits packages extend beyond salaries to include health insurance coverage, retirement plans, paid leave, wellness programs, mental well-being, flexible work schedules, equity grants, and more.

We also continue to balance in-person, remote and hybrid work to meet business needs and attract top talent. While approaches vary by country and role, office-based colleagues generally follow a hybrid working approach.

Recognizing the importance of peer-driven engagement, we also introduced the Wellbeing Champion Network, a team of more than 50 Well-being Champions across 27 Xylem facilities dedicated to fostering an environment focused on holistic health and well-being within their respective locations. Additionally, the work of our Watermark Champions and the offering of Watermark activities worldwide underscore the health benefits of community engagement and serve as an added incentive. These Well-being Champions play a crucial role in encouraging participation, promoting available resources, and helping employees integrate wellness into their daily routines.

#### Physical well-being benefits

To support the physical well-being of Xylem employees, we introduced several new programs and enhanced existing regional and global initiatives in 2024:

#### United States:

- We provide comprehensive employee health benefits, including medical, prescription drug, dental, and vision plans. In 2023, we introduced a back and joint health program, which offers digital exercise therapy for managing chronic pain. In 2024, more than 340 members engaged, completing more than 15,500 treatment sessions with a 9/10 satisfaction rating. This program has led to significant health improvements, such as pain reduction and a reduction in anxiety and depression. Employees also have access to hearing exams every 24 months under our medical plans.
- For employees enrolled in our medical plans, we provide coverage for travel and lodging expenses when costeffective, in-network medical care is not available within 50 miles of their home. Telemedicine continues to be an essential service, with 960 visits in 2024, allowing employees to access care from home or work for non-emergency medical services, helping to avoid unnecessary urgent care or emergency room visits.
- Through our U.S. Well-being Incentive Program, we continue to expand opportunities for employees to prioritize their physical, emotional, and financial health by providing accessible and meaningful wellness initiatives. Participation in the program continues to grow, with more than 2,700 employees earning incentives in 2024, collectively completing nearly 5,000 activities such as completing an annual physical, engaging in physical well-being activities, and undergoing preventive screenings. Beyond incentives, our program offers a range of

tools and services designed to support employees in building sustainable health habits.

• Additionally, we launched the Superfit Fitness Challenge, which attracted 117 participants who collectively logged more than 80.000 minutes of fitness, with 60% successfully completing the challenge.

#### Europe:

- All employees have access to extensive healthcare benefits, including medical, dental, and vision coverage. Regular health checkups support proactive wellbeing management. These benefits are benchmarked against local standards to meet or exceed market expectations.
- Our commitment to preventive care was reinforced through key initiatives aimed at reducing long-term health risks. Employees were encouraged to participate in annual health screenings, flu vaccinations were made readily available, and smoking cessation programs were introduced to help lower the risk of smoking-related illnesses. These initiatives support both individual health and overall workplace productivity by reducing illness-related absenteeism.
- Various fitness challenges and wellness initiatives were organized to inspire employees to stay active. These included team-based competitions, individual exercise challenges, and companysponsored sports events. By promoting physical activity, employees are encouraged to incorporate regular exercise into their daily routines, helping to prevent lifestyle-related diseases.
- We emphasize self-care and work-life balance, encouraging employees to take breaks, practice mindfulness, and use stress management resources. Flexible work arrangements and supportive policies help prevent burnout and promote well-being.

#### **Emerging Markets:**

- Employees now have family health insurance, extending vital healthcare services to their dependents. In 2024, more than 30 wellness sessions were held across the region, including in-office yoga, expert-led fitness sessions, and nutrition workshops.
- In Southeast Asia, a Monthly Fruit Day was introduced, providing fresh fruit at all locations, fostering both healthy eating and social interaction. Quarterly exercise sessions were conducted both in-office and virtually. Additionally, a health screening in Singapore received positive employee feedback.
- In Australia and New Zealand, we implemented a flu vaccination program with free vouchers to encourage preventive care. Men's Health Week and Women's Health Week featured webinars, educational content, and interactive activities. A women's health webinar, Let's Talk Menopause, provided insights and support on managing menopause.
- In China, employees now have 24/7 access to free online medical consultations, improving convenience for health-related gueries. Health checkup packages were also upgraded to enhance preventive care.
- In Africa, employees now have family coverage for health insurance, ensuring that their dependents also have access to vital healthcare services. In addition, a Wellness Day allowed employees to receive physical checkups, complemented by expert-led nutrition sessions. In October, a Breast Cancer Awareness session was held. In Morocco, a gym partnership was secured, offering discounted memberships to employees.

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### >50

Champions across 27 Xylem facilities are dedicated to fostering a culture of health and well-being at their respective locations.

## >2,700

employees participated in the U.S. Well-being Incentive Program completing nearly 5,000 activities.

<sup>31</sup> Individual program components may differ by country, role, or level.



#### Mental well-being benefits

We recognize that promoting and safeguarding the mental health of employees is essential to our long-term growth and success. These are some of our key initiatives:

#### Global:

- Our Employee Assistance Programs (EAPs), available in 47 countries, provide 24/7 confidential counseling and support services, including counseling and family assistance in Europe, emotional and physical health webinars in Emerging Markets, and access to Talkspace in the United States, where employees can connect with licensed behavioral therapists via unlimited text, video, and audio messages. In 2024, more than 320 employees accessed critical support for anxiety, depression, relationship issues, and financial or eldercare concerns.
- In 2024, more than 540 employees became certified as Mental Health First Aiders, equipping them with the skills to recognize and support employees facing mental health challenges in the workplace and direct them to appropriate resources - bringing our total to more than 640 certified Mental Health First Aiders.

## 47

countries offer employees 24/7 confidential counseling and support service through Xylem's Employee Assistance Programs.

>540 employees became certified as Mental Health First Aiders in 2024.

 Additional resources for employees include online self-study programs in the Xylem Learning Center and an internal mental health and wellness social media group. Managers have access to ad hoc mental health coaching when needed. We also offer coaching and training for leaders and host Leaders Talk sessions where senior team members share their personal experiences with mental health challenges.

#### United States:

 Beyond EAP, we provide comprehensive WorkLife services through the Emotional Well-being Solutions platform, which saw nearly 1,000 visits in 2024. Employees can access resources for adult and eldercare, parenting, and chronic condition support. To further support employee well-being, we launched a series of online workshops in 2024, drawing strong participation: the Stress Reduction Workshop and the Preventing Burnout Workshop were attended by nearly 350 employees each, and the Money and Mental Health Workshop by nearly 3,000 employees.

#### Europe:

 We relaunched the EAP in active countries, now covering 90% of the population. This confidential service provides counseling and support to help employees manage stress, anxiety, and other mental health challenges. In 2024, we introduced mental health coaching for leaders, equipping them with skills to better support their teams.

#### **Emerging Markets:**

 In 2024, we organized 12 webinars for both leaders and employees, covering topics such as Avoiding Burnout: Self-Assessment Methods. Mental Health Awareness for Leaders, Self-Care Tips for Managers, and Languishing vs. Flourishing in Mental Health. A special session focused on Psychological Safety for Leaders, emphasizing its critical role in the workplace. These sessions engaged

more than 1,000 employees, fostering meaningful discussions on mental health and well-being.

- We observed R U OK?Day and conducted training on psychological safety in Australia and New Zealand, encouraging open conversations about mental health and well-being in the workplace.
- In the Middle East and Türkiye (MET), we introduced a workplace wellness program with in-office yoga sessions led by a certified yoga guru. Employees learned desk-friendly yoga poses and breathing techniques to reduce stress. Sessions also explored Ahimsa - the principle of nonviolence in yoga - promoting mindfulness and self-care. Positive feedback highlighted their impact. Additionally, we launched the MET Employee Support Platform, a dedicated resource for mental health and well-being.
- In 2024, we hosted 20 well-being workshops with 2,000 participants in China. The existing free hotline and faceto-face EAP consultations were expanded to include legacy Evogua employees and their families, covering at least 400 people.
- In Africa, we extended our global EAP to all employees, increasing accessibility to mental health support across the region.

Through these initiatives, along with leadership engagement, open discussions, and psychosocial safety audits, we are actively working to reduce the stigma surrounding mental health and foster an environment that prioritizes mental well-being, providing our employees with the resources they need to thrive.

#### **Financial well-being benefits**

A 2023 PwC study <sup>32</sup> found that 57% of participants identified finances as their primary source of stress. Financial stress can negatively impact mental and physical health, self-esteem, sleep, and overall well-being, while also affecting employee productivity and engagement. The study also found that financially stressed employees are more likely to be distracted and less engaged at work.

To support the financial well-being of Xylem employees, we launched several regional programs in 2024:

#### United States:

- Launched a student debt program, providing a \$100 monthly payment directly toward employees' student loans, up to a lifetime maximum of \$10,000. This contribution, made in addition to regular loan payments, helps employees pay off their student debt faster.
- Introduced the Alight Digital Wallet, an optional compensation tool that allows employees to access up to 50% of their earned wages before payday. By giving employees control over when they receive their wages, this tool can help alleviate financial stress and provide flexibility in managing unexpected expenses.
- Full-time employees can participate in Xylem's retirement plan and select from a range of life and disability insurance options.

100% of employees who took parental leave in the Unites States in 2024 returned to work.

#### Europe

Financial well-being remained a key focus in Europe, with initiatives aimed at enhancing employees' financial literacy. We provided financial planning workshops and retirement planning guidance, equipping employees with the knowledge to make informed financial decisions, reduce stress, and improve overall well-being.

Looking ahead, we plan to expand financial flexibility benefits to additional markets, tailoring them to regional and country-specific needs. Our focus remains on enhancing employees' financial literacy through financial planning workshops and retirement guidance.

#### 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 workplace.

#### Parental leave

Parental leave is structured in accordance with local practices and regulations across our global locations. To foster a more inclusive and supportive workplace, we complement these practices and regulations with additional benefits:

#### United States:

We have enhanced our paid parental leave policy to better support working caregivers. New mothers receive up to eight weeks of paid parental leave and are also eligible for short-term disability insurance covering 100% of income for the first six weeks of paid leave. Fathers, same-sex partners, and

parents welcoming a child through adoption, surrogacy, or foster care are also eligible for the same eight weeks of paid parental leave, which can be taken within the first six months of a qualifying event. In 2024, approximately 8,952 U.S. employees were eligible for this benefit (2,049 women and 6,903 men). 220 employees took parental leave, including 183 men (83%) and 37 women (17%). 100% of employees who took parental leave in 2024 returned to work. Additionally, employees have access to medical coverage for IVF and other fertility treatments, as well as travel cost coverage for reproductive care not available in their state of residence.

#### Europe:

All European countries provide statutory benefits to employees, establishing a minimum standard of welfare and working conditions. These mandatory benefits typically include parental leave. We complement these local mandates with additional support, such as pregnancy loss leave in EU Member States and shared parental leave in Switzerland, reinforcing our commitment to employee well-being.

#### **Emerging Markets:**

We have strengthened our parental leave policies in select regions and are working to implement more comprehensive countryspecific policies in 2025.

#### Voluntary time off benefits

We actively encourage and support employees worldwide to engage in volunteer activities, particularly in water-related projects, as part of our global corporate social responsibility initiative, Watermark. In 2024, we offered employees up to 20 hours of time off annually to participate in volunteer efforts. 79% of our workforce took part in these initiatives, collectively contributing more than 200,000 hours to community service. This engagement not only strengthens the bond between employees and their communities but also enhances workplace well-being, fosters employee engagement, and reduces absenteeism, helping to create a more connected and motivated workforce.

#### Compensation

Our compensation programs are designed to be competitive within each local market and aligned with our business strategy. We support our pay-for-performance philosophy by offering a comprehensive compensation package that includes base salary and, for eligible employees, performance-based incentives such as annual, sales, and long-term incentives, generally in the form of equity grants.

#### Internal pay equity

We believe that fair and equitable compensation is key to fostering a positive workplace environment, enhancing job satisfaction, and supporting overall employee well-being.

In 2024, we conducted a global gender pay equity analysis for a significant number of employees, and a race and ethnicity pay equity analysis for the United States. Our review found no systemic disparities based on gender or race. We plan to conduct a follow-up analysis in the second half of 2025 after an ongoing organizational realignment.



<sup>&</sup>lt;sup>32</sup> 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).

## Employee feedback communication

In the first half of 2024, Xylem conducted a global employee survey to help us understand the activation of our High-Impact Culture. We invited all employees — whether on the manufacturing floor, in the field, working remotely, or in offices worldwide — to provide feedback. The survey's design fostered broader representation and deeper insights by combining quantitative rating scales with openended qualitative feedback. This anonymous format empowered employees to share honest perspectives and detailed suggestions for improvement and innovation, strengthening Xylem's commitment to a transparent and inclusive workplace.

We received responses from 63% of employees, for a total of nearly 13,000 participating. The survey results highlighted strong engagement and alignment across the organization:

- Favorable feedback: 80% of responses were positive.
- **Engagement:** 83% of employees reported feeling engaged, surpassing the 81% goal.
- Alignment with priorities: 90% of employees confirmed understanding of how their work contributed to our 2024 priorities, validating the impact of our goal deployment process.

Leveraging advanced Al tools, we analyzed survey insights to identify focus areas and provided each member of the senior leadership team with tailored results to drive targeted improvements.

Following the survey, a dedicated cohort of our global leadership team members and human resource advisors began translating feedback into meaningful action. They equipped teams with tools and guidance to address specific needs through focus groups and open forums, initiating sustainable changes. Throughout the second half of 2024, this cohort prioritized process improvements, enhanced informationsharing practices, and strengthened twoway communication plans. Best practice sharing sessions were conducted to promote consistency and effectiveness across all teams. As in the past, the results continued to inform our enterprise priorities as well, including simplifying our organizational structure, standardizing our processes, and modernizing our systems.

Xylem remains committed to fostering a High-Impact Culture and driving positive change. In 2025, we plan to conduct two global employee surveys to assess progress and identify new opportunities to refine how we work together to deliver value to our customers.

In addition to our global employee survey, we regularly gather feedback through smaller, more targeted pulse surveys, virtual coffee chats, breakfast chats, town halls, focus group discussions, onboarding surveys, stay interviews, and other interactive forums.

#### **Employee representation**

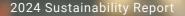
We recognize that the work of labor organizations, works councils, and unions better the lives of our employees and we respect their legal right to join or to refrain from joining such organizations. An employee's decision to join or not join a labor organization will in no way result in any discrimination against that employee. We raise awareness among managers at all levels of the importance of respecting the employees' right to organize or to be represented. We also work to establish favorable employment conditions that promote positive relationships between employees and their managers, facilitate communication among employees and support their development.

As of December 31, 2024, we employed approximately 23,000 people worldwide. Approximately 66% of our employees in Europe are represented by trade unions or works councils and approximately 11% of our employees in the United States are represented by labor unions. In some other countries, employees are also represented by works councils. **13,000** employees participated in our inhouse global employee survey.

**80%** of survey responses were positive.

83% of employees reported feeling engaged.





**<** 54

## Inclusion and belonging

We are committed to fostering a workplace where every employee feels a true sense of belonging – where they feel valued, respected, heard, connected, able to bring their authentic selves to work, and capable of doing their best work. This enables us to drive innovation, positively impact employee and customer satisfaction, and enhance our competitiveness in a global marketplace. By embracing the power of belonging, we can better serve the communities in which we operate, creating lasting value for our shareholders and stakeholders.

Inclusion and belonging are fundamental to how we enable our customers – who serve diverse communities – to address global water challenges. Inclusive teams bringing together different backgrounds, cultures, and experiences generate fresh ideas, and help us develop better solutions, strengthen relationships, and understand the unique needs of our customers and communities. This collaboration builds trust, accelerates problem-solving, and allows us to deliver impactful results across markets and communities worldwide.

Inclusion and belonging are not just values but essential to our mission of solving water challenges worldwide. Together, we are shaping a future in which everyone can thrive and contribute to a more equitable and sustainable world.

- <sup>33</sup> Please find additional employee data in the datasheet on page 88 and the accounting principles on pages 83-86.
- <sup>34</sup> The 2024 and 2023 data are based on available records and exclude employees whose date of birth is not captured in Workday -1.4% of Xylem employees in 2024 and 0.9% in 2023.

#### Our people in numbers <sup>33</sup>

A key component of our efforts is to increase the transparency of our people data. This will provide employees, potential new talent, and other external stakeholders with a clear overview of our workforce and progress toward our goals.

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

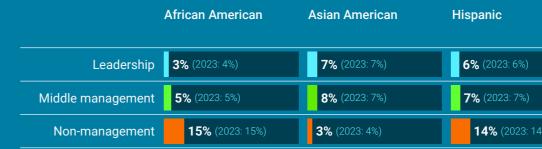


21% minority representation

#### **Employees by geographical area**



#### U.S. employees by race and ethnic minority group



#### **Employees by age**<sup>34</sup>

	<30 years	30-50 years	>50 years	
Leadership	-	<b>2%</b> (2023: 2%)	<b>2%</b> (2023: 2%)	
Middle management	<b>6%</b> (2023: 6%)	<b>30%</b> (2023: 29%)	<b>16%</b> (2023: 16%)	
Non-management	<b>7%</b> (2023: 7%)	<b>22%</b> (2023: 23%)	<b>15%</b> (2023: 15%)	
Total	<b>13%</b> (2023: 13%)	<b>54%</b> (2023: 54%)	<b>33%</b> (2023: 33%)	

#### % of women representation by management level globally

	Other race and ethnic minority	Total
	<b>3%</b> (2023: 2%)	<b>19%</b> (2023: 19%)
	<b>3%</b> (2023: 2%)	<b>23%</b> (2023: 22%)
4%)	<b>4%</b> (2023: 3%)	<b>36%</b> (2023: 36%)

xylem Impact on society

#### Building an inclusive workplace

Creating an inclusive work environment starts with the right policies, practices, and programs. By offering attractive opportunities and fostering skills development, we empower employees to grow, contribute, and thrive. This commitment strengthens our workplace environment and drives innovation, collaboration, and long-term success.

#### Policies and practices

#### **Corporate policies and guidelines**

We have multiple policies and guidelines in place that address inclusion in the workplace, such as our Hiring and Staffing Policy, United States Disability Accommodation Policy, and Prevention of Workplace Harassment Policy.

#### Promoting equal opportunity in candidate pools

To strengthen our commitment to inclusive hiring, we strive to have candidate pools with candidates from a range of backgrounds and demographics for all professional positions. While focusing on inclusion and expanding the pool of candidates to be considered are priorities, hiring decisions are always based on selecting the most gualified candidates - with no exceptions.

In 2024, we increased the percentage of inclusive candidate pools for professional positions from the previous year. Moving forward, a stronger internal talent pipeline and strategic external sourcing will further enhance our efforts to attract candidates with a range of perspectives, experiences and backgrounds.

#### **Regional Inclusion and Belonging Councils**

Xylem's regional Inclusion and Belonging Councils serve as local volunteer boards that drive region-specific inclusion initiatives in alignment with our corporate strategy. These councils enhance strategic engagement, strengthen outreach and oversight of local efforts, and foster open communication with local leadership to track progress and impact.

#### Inclusive benefits

To provide comprehensive coverage for all, our employees in the United States have access to a LGBTQ+ Benefits and Services Guide that outlines our medical plans for same-sex spouses and domestic partners, inclusive health services and additional support for family formation, HIV treatment and prevention, in-vitro fertilization, adoption and foster care assistance, and surrogacy resources.

#### Sponsorship programs

Our sponsorship programs connect highperforming talent with experienced managers to offer career advice and increase visibility. The participants in these programs, who represent a wide range of backgrounds and cultures, are always selected based on merit from highly gualified applicant pools. Please also see our "Building a strong talent pipeline" on page 49 for more information.

#### **Reverse Mentorship program**

This six-month program pairs nominated employees with senior leadership team members to deepen the understanding of experiences and challenges faced by colleagues at Xylem. In 2024, 20 pairings took place, with monthly virtual meetings for open, safe discussions.



### Driving inclusion and belonging in emerging markets through local leadership and collaboration

In 2024, Xylem's Emerging Markets Inclusion and Belonging Council made significant strides in advancing inclusion and belonging across the emerging markets regions. Comprised of 12 country and regional representatives, the council meets quarterly to track efforts and align with leadership on strategic initiatives. The recent increase of women in leadership in the regions (31% in 2024) reflects ongoing efforts to create inclusive career pathways and leadership development opportunities for women.

These are some of the key initiatives through which the council made a regional impact and promoted a more inclusive and equitable workplace in 2024.

#### Flowing Futures: Igniting youth passion

for water (Singapore): As part of Singapore International Water Week 2024, we coorganized Flowing Futures, a first-of-its-kind youth event in partnership with Raffles Institution Singapore. The program featured inspiring speakers covering topics from interstellar aguifers to water poverty. Students engaged with industry leaders at our booth, gaining insight into water innovation and sustainability. The event also served as a prelude to the Singapore Youth Water Conference 2024, further igniting passion for careers in the water sector.

#### Empowering young women through sport

(Kenya): We partnered with Tackle Africa to mentor young leaders and students at Kibera Girls School, located in one of Africa's largest informal settlements.



The program combined football with education on sexual health, water reuse. and sanitation. The school also hosted a Water Heroes Academy event featuring a Manchester City legend, reinforcing the power of sport in driving social awareness and change.

#### Strengthening parental support policies

(Africa): Xylem Africa launched a comprehensive parental policy to foster an inclusive workplace and support employees through various stages of parenthood. Covering maternity, paternity, adoption, surrogacy, and LGBTQ+ parents, the policy provides clear guidelines to support employee well-being and a smooth transition back to work. This initiative is a key part of our broader wellness strategy, aimed at retaining and advancing talent.

#### xylem Impact on society

#### Water Environment Federation's (WEF) InFLOW program

The InFLOW program promotes inclusion in the water industry by partnering with community job-readiness organizations to introduce students to career opportunities in the water sector. We have been an InFLOW Game Changer-level sponsor for the past five years and hosted the program's welcome reception in 2024. Please also see our "Shaping the future of water through dialogue and partnerships" section on page 59 for more information.

#### Capability building

#### Allyship Journey for People Leaders

In 2024, we introduced the Allyship Journey for People Leaders, a three-stage learning program designed to deepen allyship within Xylem's leadership. This initiative aims at helping people leaders build awareness, activate as allies, and advocate for talent. Each stage -Aware, Active, and Advocate - builds upon the last, creating a structured path for leaders to enhance their understanding and commitment to allyship. Participants earn badges upon completing each stage, which they are encouraged to display in email signatures and on social media. In 2024, 51% of global people leaders completed the first stage, "Aware."

#### Workplace Inclusion and Belonging in Action eLearning

Also launched in 2024, the Workplace Inclusion and Belonging in Action eLearning course provides foundational knowledge on inclusion at work. It equips employees with skills to recognize and value differences, support all employees, and foster an inclusive workplace. The course covers practices for sustaining a healthy inclusive environment and strategies for overcoming potential barriers to inclusion. Available in English, 50% of employees in the United States, Canada, United Kingdom and Ireland, Australia, and New Zealand completed this training in 2024.

#### Inclusion awareness days and months

As a global company, we respect and celebrate a range of cultural and heritage awareness days and months that are meaningful to our employees and stakeholders. Xylem leaders are expected to actively recognize and support these moments. Our global inclusion and belonging calendar helps them connect with their teams, foster belonging, and accommodate work-restricted religious awareness days and months. Each month, our internal inclusion and belonging updates and the People Leaders Digest offer guidance on inclusive practices for these significant dates. For example, Lunar New Year, which marks the beginning of the lunar calendar in many East Asian cultures, and Diwali, the Festival of Lights celebrated by Hindus, Jains, Sikhs, and Buddhists as a time of renewal and new beginnings.

In 2024, with support from our employee network groups, we marked several awareness days and months through virtual sessions, quest speakers, and educational resources. Recognized events included International Women's Day and Veterans Day. Highlights from the year included astronaut Kellie Gerardi speaking for International Women's Day, co-sponsored by the Women's and Emerging Leaders networks, and the Veterans and Maji networks co-hosting the Celebrating Military Service: Veterans Day webinar.

#### **Xplore Inclusion and Belonging series**

The Xplore Inclusion and Belonging series is a monthly internal webinar featuring interactive discussions on key workplace inclusion topics. In 2024, nearly 6,000 employees participated in 12 sessions covering topics such as mental health, disability inclusion, cultural diversity, and Indigenous communities.

#### **XED Talk series**

Hosted by Xylem Europe, the XED Talk series features virtual events where employees and leaders share personal stories to inspire and foster inclusivity. In 2024, featured topics included work and parenting, supporting neurodiverse children and employees, and bridging cultural differences. These sessions provided valuable insights into building a more inclusive workplace.

#### New Manager Inclusive Leadership course

In 2024, we integrated inclusive leadership training into our mandatory new manager orientation. This virtual course introduces new managers to their role in fostering inclusion and belonging, giving them the tools to help build and sustain inclusive workplaces from the start.

#### Our employee network groups

To promote inclusion and belonging among employees, we have established a variety of employee network groups. These seven groups are open to all Xylem employees and are driven by passionate employees and supported by senior leadership sponsors. Through local chapters and internal social media channels, employees can connect, share ideas, and learn from each other. Participation continues to grow, with 21% of all employees actively involved in one or more employee network groups.

21% of all employees get actively involved in one or more employee network groups.

#### **Employee network groups**



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Women's Network Supports the professional growth and impact of women at Xylem by providing a platform to exchange ideas, access learning opportunities, advocate for equal opportunities, and unlock leadership potential.

#### Emerging Leaders Network

Offers mid-career professionals globally the chance to connect, share experiences, and build relationships across all functions and business segments, while developing skills, gaining knowledge, practicing leadership, and advancing their careers within Xylem.



Veterans Network Unites veterans, military family members, and supporters to discuss veteranrelated issues, network, share experiences, and grow within the organization, fostering engagement, innovation, and professional development.



LGBTO+ and Allies Network Builds a community for Xylem's LGBTQ+ employees and allies, enhances business performance by leveraging their talents, and positions Xylem as an employer of choice for LGBTQ+ talent.



Maji (Black and African American) Network Promotes the inclusion, visibility, and advancement of members and engages with communities where Xylem and its customers operate.

## 0

Celebrates cultural heritage, supports the Hispanic and Latin American community, and fosters professional growth at Xylem and with our customers.



Cultivates an environment where non-native English speakers feel confident contributing and advancing based on their work, not solely language proficiency.

#### HOLA (Hispanic Origin and Latin Affinity) Network

#### Non-Native English Speakers and Allies Network

#### xylem Impact on society

## Spotlight

### Xylem Europe's Youth Advisory Board: Showcasing the power of intergenerational collaboration

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In 2024, Xylem Europe took a significant step toward creating a more inclusive and forwardthinking workplace by launching its Youth Advisory Board (YAB). This dynamic group of ten Gen Z employees was formed with a clear mission: to provide senior leaders with fresh insights that drive innovation, empower leadership, and help Xylem remain a workplace of choice for the next generation.

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The initiative kicked off in July with an inperson session in Switzerland, where YAB members engaged directly with top leaders to share their perspectives on the workplace environment, inclusion, and future trends. This session set the stage for an ongoing dialogue between young professionals and decision-makers, creating a platform where new ideas are heard and valued.

Since its inception, the YAB has actively engaged with Gen Z employees across Europe through Lunch and Learn sessions and focus group discussions. These conversations allowed them to identify key themes and concerns, which they compiled into a Special Report presented to senior leadership. The report highlights actionable insights on how to create a more inclusive,

engaging, and equitable workplace for younger employees.

Looking ahead to 2025, the YAB is committed to developing strategies to further enhance Gen Z engagement within Xylem. Their priorities include promoting sustainability, expanding social justice initiatives, and creating more mentorship and career

advancement opportunities. Through these efforts, the YAB is not just advising leadership but actively shaping a more inclusive and purpose-driven workplace.



## Shaping the future of water through dialogue and partnerships

Solving the world's water challenges requires not only innovative solutions but also a commitment to fostering dialogue. In 2024, a number of our initiatives and programs engaged the next generation of water leaders, showing them how different career paths contribute to sustainability, and celebrated the wide range of talent within our organization, reinforcing our dedication to an inclusive workplace where incorporating a range of perspectives drives progress. We also advanced conversations at key industry events, including <u>WEFTEC – WEF InFLOW, IFAT, Reach</u> and the <u>Stockholm International Water</u> <u>Institute's World Water Week</u>.

By cultivating conversations – whether through hands-on science, technology, engineering, and mathematics (STEM) workshops, external partnerships, industry events, or internal forums – we create spaces for learning, collaboration, and meaningful change.

#### External partnerships

Our external partnerships help us attract new talent with broader experiences, alternative skillsets, and new perspectives on our work. In 2024, we focused our partnerships on reaching a broader talent pool and building the next-generation talent pipeline.

#### Partnerships to increase access to talent:

- <u>STEM National Society of Black Engineers</u> (United States)
- <u>HireMilitary</u> (United States)
- Fair Chance Hiring (United States)
- Cogig (Sweden)

### Partnerships to engage and attract the next generation of talent:

- Ignite Youth Program (Global)
- WEF InFLOW: Introducing Future Leaders
   <u>of Water</u> (United States)
- <u>Stockholm Junior Water Prize</u> (Global)
- <u>City Football Group</u> (Global)
- Jest Junior Enterprise (Italy)
- Agrotech (France)

#### Fostering meaningful dialogue

In April, the Reservoir Center in Washington, DC continued its Careers for Change series, highlighting efforts to close the water access gap in the United States and globally. Sixty-five students and young professionals attended a keynote by George Hawkins, Founder & CEO, and Anniestacia Denton, Utility Advisor, who shared their career journeys at Moonshot Missions, a partner focused on expanding water access in small, rural, and low-income communities. The event featured leaders from the Environmental Policy Innovation Center, Millennium Water Alliance, Engineers Without Borders USA, and Tetra Tech, who shared career insights, followed by one-on-one discussions with attendees.

Over the summer, the Reservoir Center also hosted two workshops for 40 middle-school girls in the Boolean Girl STEM camp. They explored waterborne disease transmission and built water filters, illustrating the challenges of making water safe to drink.

#### Celebrating our people

Our *People of Xylem* series highlights employees across our organization who use their skills and passion to help achieve our mission and make a tangible impact on the world. In 2024, we featured frontline field and service workers, an emerging leader, stories of allyship in action, and six women in China leading the way in solving water challenges.

## Addressing discrimination and harassment

To enable a consistent message and approach to harassment and discrimination, we intentionally align our harassment prevention initiatives with our Inclusion and Belonging program. Our <u>Code of Conduct</u> directly addresses inclusion and belonging and the prevention of discriminatory practices and provides guidance to employees on how to embody leadership and ethical responsibility within the industry.

> In 2024, as part of our annual compliance training, 99% of Xylem employees completed a training module focused on promoting inclusion and understanding exclusionary behaviors. This module helps employees take proactive action to prevent and address such behaviors.

As outlined in our <u>Business Partner and</u> <u>Supply Partner Code of Conduct</u>, we expect our partners to similarly value the principles of inclusion and belonging and to promote equal opportunity in their supplier and subcontractor selection processes.

## Health and safety

We are committed to the well-being of our employees, customers, product users, the public, and the environment. We strive to create a zero-harm, high-impact organization by continuously investing in safety programs, risk mitigation, leadership development, and effective communication. Central to this commitment is fostering an environment of care - where empathy, support, collaboration, and personal accountability for health and safety are fundamental.

#### **Operational health and** safety framework

As part of our 2025 Sustainability Goals, we aim to achieve a total recordable incident rate (TRIR) of 0.50. Our three-year strategy is guided by Xylem's Health and Safety Framework, built on six pillars: leadership, employee engagement, communication, risk management, EHS systems, and data. This comprehensive approach supports the well-being of employees, contractors, and communities.

#### Health and safety training

#### Health and safety training program

Xylem maintains a comprehensive health and safety training program, delivering training both in person and virtually. This program helps our colleagues understand their responsibilities and equips them with essential information to perform their jobs safely. Topics such as ergonomics, slips, trips, and falls, driving safety, and mental health awareness in the workplace are covered.

In 2024, Xylem colleagues completed more than 36,000 safety training hours in areas including compliance, safety leadership, and risk management. This significant increase in training hours highlights our commitment to providing a safe and informed workplace for all employees.

#### Leadership safety training

Strong leadership is essential to embedding safety into our operations. Leaders model safe behaviors, set clear expectations, and hold themselves and their teams accountable. Through our Leadership Safety Program, people leaders completed more than 1,000 hours of training in 2024, enhancing their skills in communication, visible felt leadership, and hazard recognition. This training empowers them to drive safety initiatives and reinforce a zero-harm workplace.

36,000 safety training hours completed by employees in 2024.

#### **Employee engagement**

An engaged workforce is essential to creating a safe and sustainable workplace. In 2024, we strengthened employee engagement through initiatives such as Safety Week, employee-led safety committees, toolbox talks, gemba walks, and kaizen events - providing opportunities for employees to share insights and collaborate on workplace improvements.

#### Safety Week: Hearts and Hands for Safety

A highlight of 2024 was our global Safety Week initiative, Hearts and Hands for Safety, reinforcing safety awareness and an environment of care. This week-long event featured interactive workshops, leadership-led safety talks, team challenges, and knowledge-sharing sessions on hazard identification, risk mitigation, and personal accountability.

A special focus was placed on first aid, cardiopulmonary resuscitation (CPR), and automated external defibrillator (AED) training, equipping employees to respond effectively in emergencies. Hands-on training covered CPR, AED use, and basic first aid, with some facilities extending sessions to include pediatric and pet first aid, supporting the broader well-being of employees and their families.

## Spotlight

### Every second counts



Safety training isn't just about compliance - it's about equipping employees with the skills and confidence to take action when it matters most. In 2024, Rental Manager Lisa Johnstone (centre) and Rental Senior Project Engineer Jordan Hunter (left) from our Throsk facility in Scotland put their training into practice, demonstrating the power of quick thinking and teamwork to save a life.

During a routine shift, a colleague suffered a cardiac emergency and collapsed. Without hesitation, Lisa and Jordan responded. Drawing on their first aid, CPR, and AED training, Lisa guickly assessed the situation and began CPR alongside another colleague, while Jordan retrieved the facility's AED.

Their immediate, coordinated efforts helped stabilize their colleague until

emergency responders arrived. Thanks to their swift actions, the individual made a full recovery. For their courage and decisive response, Lisa and Jordan were recognized by Heroes for Life, a testament to the life-saving impact of preparedness and teamwork. You can read their full story here.

Over the past two years, Xylem has expanded first aid, CPR, and AED training across all facilities, reinforcing our commitment to employee readiness both in the workplace and beyond. Lisa and Jordan's story is just one example of how this training makes a real difference. As we continue strengthening our safety programs, we remain dedicated to providing every Xylem employee with the skills and resources to act with confidence and compassion because at Xylem, safety is a shared responsibility.

#### Xylem Spot Award

The Xylem Spot Award provides immediate recognition for employees who demonstrate exceptional contributions - whether by achieving impactful results, leading safety initiatives, driving continuous improvements, or enhancing operational excellence through cross-functional collaboration.

#### Race to Zero Lap Winner

This program honored employees who submitted impactful safety reports, achieved zero findings in Roadside Stop Inspections, used Stop Work cards, or promoted safety through Take-5 cards. In 2024, nearly 200 colleagues were recognized as Lap Winners for their commitment to a zero-injury workplace.

#### Gemba walks

Gemba walks, where leaders observe work processes firsthand ("gemba" means "real thing" in Japanese), encouraged open dialogue with employees and helped identify areas for improvement. When significant opportunities for enhancement were found, kaizen events – focused, collaborative workshops – were conducted. These sessions brought employees together to address specific risks, eliminate hazards, and drive continuous safety improvements, fostering a safer and more sustainable work environment.

#### Active Caring Safety – 365

In 2024, we enhanced leadership-led engagement through Active Caring Safety - 365 (ACS-365), fostering open dialogue and two-way feedback between leaders and employees. As a key leading indicator, ACS-365 goes beyond compliance to strengthen trust, psychological safety, and an environment of care. The program enables leaders to connect directly with employees, listen to their concerns, and collaborate on solutions to key safety challenges. By deepening leadership visibility into

daily safety risks and encouraging active employee participation, ACS-365 has further embedded safety into our workplace environment.

#### Communication

Clear and effective communication is essential to our health and safety framework, equipping employees with the knowledge and resources to work safely. Our EHS training programs, offered both in person and virtually, cover critical topics such as ergonomics, electrical safety, confined space entry, and driving safety.

In 2024, we expanded our EHS communications through a multi-channel approach, keeping colleagues engaged and informed between formal training sessions. By leveraging internal social media platforms, email, SharePoint, facility bulletin boards, and digital information screens, we reinforced continuous safety awareness and learning.

#### Engagement and resource accessibility

We strengthened colleague engagement and resource accessibility through Xylem's employee network platform group, Safety in Action, and launched a redesigned, user-friendly EHS SharePoint site. This centralized hub provides essential resources, real-time updates, and access to safety materials, including Lessons Learned Reports (monthly), EHS Insights Reports, weekly toolbox talks, and safety alerts.

#### **Risk management**

To drive continuous improvement and maintain regulatory compliance, we implement a comprehensive global environmental, health, and safety (EHS) audit program conducted by third-party experts. Facilities undergo full EHS compliance audits every three to six years, based on their risk profile, to evaluate their facility-specific EHS practices and assess alignment with internal standards and local regulations. These independent evaluations provide valuable insights, helping us identify areas for improvement and uphold global EHS requirements.

#### EHS policy and management system

Our commitment to EHS is driven by an EHS policy and management system that sets clear expectations for a safe working environment for all employees, contractors, and visitors. These guiding documents form the foundation of our safety efforts, providing a structured approach to risk management, regulatory compliance, and continuous improvement. They also equip our teams with the necessary tools to contribute actively to shared safety goals while supporting consistency and tracking safety outcomes across all operations.

50 Xylem facilities are certified to ISO 45001: Occupational Health and Safety Management Systems, representing 12% of all facilities. 43% of our 21 major facilities are ISO 45001 certified. The ISO 45001 provides a framework for identifying and assessing occupational health and safety risks and implementing the framework helps Xylem enhance our safety performance and reduce the likelihood of accidents, injuries, and occupational illnesses.

#### Data-driven workplace safety

Xylem utilizes a global digital platform to track injury and illness data, serving as a cornerstone of our EHS strategy. This centralized system streamlines data collection and integrates key modules, including auditing, compliance calendar management, industrial hygiene, inspections, and action tracking, enabling a holistic approach to workplace safety.

#### A unified EHS management platform

In 2024, we transitioned to a single, unified EHS management platform, consolidating multiple systems to enhance efficiency, reduce complexity, and optimize costs. This system improves our ability to track incidents, hazards, compliance requirements, and corrective actions, enabling EHS and operational teams to focus on proactive risk reduction and safety initiatives, such as Leadership Safety Training and Active Caring Safety - 365.

To further enhance our data analytics capabilities, we integrated the platform with advanced reporting tools, standardizing data visualization and providing real-time, global insights into safety performance. This advancement allows us to identify trends, implement targeted preventive measures, and drive continuous safety improvements.

#### Benchmarking for excellence

We also enhanced our approach in 2024 by incorporating external benchmarking through partnerships with the National Safety Council (NSC), the Royal Society for the Prevention of Accidents (RoSPA), and the Conference Board Chief EHS Officer's Forum. These collaborations introduced ASTM 2920-19, a global consensus standard focusing on severity-based case assessment. Unlike traditional OSHA criteria, this methodology prioritizes the nature and severity of injuries, strengthening the focus on preventing serious incidents.

With this framework, we introduced a new serious injury or fatality (SIF) rate, achieving a rating of 1.39, covering 50 SIF incidents. These insights are guiding our ongoing improvement efforts, with plans to further enhance performance in 2025. By integrating advanced digital tools and external benchmarking, we continue to strengthen our commitment to data-driven safety strategies, reinforcing a zeroharm mindset across Xylem.

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#### Key 2024 safety data

	2024	2023
Total recordable incident rate	0.52	0.61
Lost time injury rate	0.34	0.33
Fatalities	0	0

#### Safety performance

Xylem tracks all serious incidents involving employees, temporary workers, and contractors, with a focus on strong controls for high-risk tasks. In 2024, we reduced our TRIR by more than 14% to 0.52, surpassing our internal goal of 0.54. This reduction has resulted in significant savings in workers' compensation costs in the United States over the past three years.

We also integrated legacy Evoqua data into our EHS management platform in 2024, streamlining our safety and compliance tracking and reporting and enhancing our benchmarking capabilities. Despite challenges, we maintained our TRIR target of 0.50 for 2025.

#### WASH access for employees

In 2024, we continued our commitment to WASH4Work by providing all employees with access to WASH facilities at the workplace. Our facilities test drinking water quality annually and provide clean, 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 for WASH challenges. We encourage employees to feel empowered to seek assistance when needed.

As part of our 2025 Sustainability Goals, we are expanding our efforts to provide employees with access to safe drinking water and sanitation at home and during natural disasters. We are building capacity to better understand their WASH needs outside the workplace, while respecting their privacy.

#### **Contractor safety management**

In addition to our own employees, contractors who are not directly employed by Xylem also work at our facilities. Our Contractor Safety Management Policy establishes clear standards for managing contractor safety and outlines our expectations for compliance with Xylem's high EHS standards.

We strive to continuously reduce contractor safety risks and enhance the safety performance of high-risk contractors through a rigorous selection process, comprehensive health and safety training, well-defined EHS plans, safe work procedures, regular audits, performance evaluations, and open two-way feedback.

We also expect our supply and business partners to maintain a safe working environment, as outlined in our <u>Business</u> <u>Partner and Supply Partner Code of Conduct</u>. Contractors must comply with all applicable health and safety laws and regulations and take proactive steps to prevent safety incidents.

>14% reduction year-on-year of total recordable incident rate.

## **Responsible sourcing**

**Responsible and ethical** business conduct extends to everyone we do business with across our supply chain. To foster a safe and healthy work environment, uphold fair labor practices, and strengthen our commitment to sustainability, we continuously expand and enhance our partnerships with more than 12,000 suppliers.

We expect all our suppliers to adhere to the principles outlined in our Business Partner and Supply Partner Code of Conduct, conducting business ethically and responsibly while creating long-term sustainable value for our customers.

#### Supplier audits and risk management

#### Supply chain risk management program

Over the past four years, we have built a comprehensive and scalable supply chain risk management program focused on identifying, assessing, and mitigating supplier risks. This program helps reduce overall exposure by proactively addressing potential concerns and responding swiftly to emerging risks. Our approach consists of two key phases: proactive risk management and reactive risk mitigation.

The proactive phase aims to identify potential issues early, assess the likelihood and impact of supplier disruptions, analyze mitigation strategies, and implement preventive actions. This process begins with annual data collection from our facility procurement teams and Global Category Management teams. Using this data, we generate a unique impact score for each supplier, incorporating traditional sourcing metrics such as supplier availability, intellectual property ownership, and revenue at risk. This enables the business to prioritize highimpact areas and develop targeted mitigation strategies. Procurement teams are equipped with a standardized toolkit of mitigation actions that help reduce both impact scores and overall risk exposure. Our methodology focuses on analyzing vendors and regions with higher risk potential, while category strategies address market-specific risks.

In addition to proactive measures, we manage day-to-day reactive risk mitigation in response to external factors such as weather events or geopolitical developments. When critical risks arise, responsible stakeholders are alerted for timely resolutions. In severe cases, internal risk "Response Rooms" may be activated to facilitate cross-functional awareness and coordinated response efforts.

Prind and and main or reditori A comprehensive audit plan is developed and executed annually for suppliers, with collaboration to address and remediate any findings identified during the audit.

> Suppliers' performance is continuously monitored based on:

Monitoring

y suppliers'

performance

Impact score: A risk rating considering single/sole source status, revenue at risk, tolerable downtime, and capacity.

Historical performance: Evaluation of operational metrics (PPM, CoPQ) and feedback from facility teams and Category Management.

A Supply Chain Risk Management tool assesses sustainability and compliance risks by analyzing environmental impact. labor conditions, and geographic risks. Suppliers are then categorized 

Onboarding new suppliers

New suppliers are evaluated based on legal, regulatory, as well as facility-specific processes. They must also assessment.

Supplier assessment framework

Used to identify, assess, manage, and mitigate potential risk to our supply chain.

> New suppliers must follow the Business Partner and Supply Partner Code of Conduct (BPSPCoC), ensuring environmental stewardship and human rights respect across their value chain.

Purchase agreement / committing to the BPSPCoC

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and category-specific criteria, complete a preliminary supplier survey and undergo a financial

> After passing the initial offline assessment, new suppliers undergo a thorough evaluation, including a capability audit to verify reliability and a quality audit to assess their Quality Management System.

After passing capability and quality audits, new suppliers enter the Production Part Approval Process (PPAP), a rigorous evaluation to qualify parts for production, starting with an initial set of samples for quality inspection. Part of Olive



## Strengthening supplier risk management through integration and collaboration

#### By Nikolas Rose, **Director of Global Procurement** Supplier Risk Management

Xylem has made significant strides in integrating sustainability considerations and risk assessments into its overall risk management program. A key development in this effort is the incorporation of EcoVadis ratings and abstract supplier risk analysis, enabling a more robust approach to evaluating and managing supplier-related risks.

This integration enhances our ability to make informed decisions that align with our commitment to responsible business practices and operational resilience.

#### A comprehensive supplier risk model

Our supplier risk management model comprises two key components: the Impact Score and the Failure Score, which together form the Total Risk Score for each supplier.

- Impact Score: This score evaluates the potential impact of a supplier on Xylem's operations, considering factors such as sourcing availability, time to recovery, revenue impact, and supplier capacity. Importantly, Xylem can directly influence and reduce a supplier's Impact Score through a standardized "toolbox" of mitigation actions. These proactive measures are tailored to support business continuity, reduce disruption risks, and deliver on our customer commitments.
- Failure score: This score assesses the likelihood of a supplier's failure, using inputs that are outside Xylem's direct control. The model incorporates various risk factors, including ESG risk scores, financial health risk, cybersecurity risk, and country/industry risk. By leveraging these insights, we can better anticipate potential challenges and develop strategies to address vulnerabilities in our supply chain.

#### Driving cross-functional collaboration

As Xylem evolves its risk and compliance practices, the next step is fostering stronger collaboration among the functional groups that manage different aspects of risk. Historically, key teams such as **Global Procurement (Risk Management** & Sustainability), Trade Compliance, and

Legal (Ethics & Compliance) have operated independently, addressing risks within their respective domains. Recognizing the benefits of a more unified approach, Xylem is working to break down these silos.

#### Our goal, through 2025, is to:

- 1. Unify risk management processes: Develop a standardized process that integrates the expertise and insights of each functional group to foster a cohesive approach to managing both business partners and supply partners.
- 2. Establish regular collaboration: Implement a consistent meeting cadence to align priorities, share information, and review risk assessments collectively.

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3. Enhance risk oversight: Create a framework that provides a comprehensive view of risks across the organization, enabling more strategic decision-making and improved mitigation planning.

#### Building a more resilient future

By integrating supplier risk analysis into our broader risk management framework and fostering cross-functional collaboration, Xylem is taking meaningful steps to enhance resilience and sustainability across its operations. These efforts not only strengthen our ability to navigate complex challenges but also position us to deliver greater value to our stakeholders. Through continued innovation and partnership, we remain committed to advancing sustainable practices and driving long-term success.

## Sustainability assessments of our suppliers

We use EcoVadis and similar sustainability assessments to evaluate our suppliers' performance in key areas, including labor practices, human rights, environmental protection, ethics, and sustainable procurement. These assessments help us identify both risks and opportunities while supporting our suppliers in tracking and improving their sustainability performance over time.

The EcoVadis assessment platform and its risk management tool, IQ, have enabled us to evaluate high-risk suppliers, industries, and regions. By the end of 2024, 42% of Xylem's global supplier base by spend had completed an EcoVadis assessment and maintained an active scorecard. We continue to expand our supplier spend coverage over time.

We actively review scorecards with our suppliers and collaborate on corrective actions when performance falls below expectations. Our suppliers' average rating exceeds the EcoVadis network average across overall and individual module scores, with steady improvements since 2020.

### Supplier on-site audits

#### **Quality audits**

Our dedicated Supplier Quality team identifies and addresses supplier quality system risks. Over the past four years, they have conducted more than 650 on-site supplier audits and closed more than 1,800 findings, achieving an approximately 80% closure rate. These efforts have helped reduce risks within our supply chain while strengthening the quality capabilities of our suppliers. Audit findings and corrective actions are tracked as part of our supplier relationship management process to drive continuous improvement.

#### Sustainability audits

We continue to see year-over-year improvements from our suppliers, but we also recognize the importance of acting quickly — and, in some cases, in person. To support the Supplier Quality team, we piloted a partnership with an external provider to conduct and remediate critical audits. In 2024, we encountered challenges with scheduling and managing the remediation of findings with this partner. As a result, we have engaged with alternative solution providers and are assessing the feasibility of a new approach to facilitate the efficient and timely completion of audits, findings, and remediation.

#### **Conflict minerals management**

We remain committed to complying with the U.S. Securities and Exchange Commission's (SEC) requirements regarding required disclosures on the purchase of products and components that may contain conflict minerals. Our annual conflict minerals review aims to enhance transparency in our sourcing practices, educate our supply chain on avoiding conflict minerals, and encourage suppliers to establish their own responsible sourcing programs. Our Conflict Minerals supply chain due diligence program is designed to align with the framework outlined in the Organisation for Economic Co-operation and Development's (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, including its supplements for gold, tin, tantalum, and tungsten (the OECD Guidance). We continue to develop our program in alignment with the OECD Guidance's five-step framework:

- 1. Establish strong management systems to oversee conflict minerals due diligence.
- 2. Identify and assess risks in our supply chain.
- 3. Develop and implement a strategy to mitigate identified risks.
- **4. Conduct independent third-party audits** of our due diligence practices.
- 5. Publicly report on our supply chain due diligence efforts.

This structured approach supports responsible sourcing and enhances transparency across our supply chain. Consistent with our approach to Risk Management, we strive to continuously improve our annual campaign process and management of associated risks. Beyond 2025, we intend to leverage our cross-functional working group to identify risks, drive awareness, and implement mitigation actions identified through our annual campaign process.

#### **Conflict Minerals Policy Statement**

As a manufacturer of industrial goods, we use tin, tungsten, tantalum, and gold (3TG) in a number of our products. For example, we source seals containing tungsten and electronics containing tin and gold. We fully support the objectives of the SEC's conflict minerals regulations and uphold these principles as outlined in our <u>Conflict Minerals</u> <u>Policy Statement</u>.



#### **Engaging our suppliers** on sustainability

#### Embedding sustainability into our sourcing strategies

In 2024, we continued to refine and mature our category-specific sourcing strategies, further integrating sustainability. Engagement in the early stages of contract awards has significantly increased and we regularly review and discuss sustainability initiatives as part of our business reviews.

As we focus on accelerating water stewardship in 2025 and beyond, we are actively engaging our suppliers to reduce their water intensity. This includes identifying the largest water users in our supply chain and collaborating with them to lower their water footprint through our innovative products and service offerings.

#### Key environmental, compliance, and societal engagement programs

#### CDP Supply Chain program

We continue to leverage the CDP supply chain program to support our suppliers' efforts to reduce their climate and water impacts. Our focus remains on expanding supplier participation, enhancing disclosure accuracy, and advancing climate and water risk mitigation through emissions data collection and reduction target setting across our Supply Chain.

In 2024, we invited legacy Evogua suppliers to disclose their climate impact through CDP, which increased the number of suppliers by 125% and led to a 64% disclosure rate, well above the global CDP average of 42%. Notably, Chinese suppliers accounted for 51% of our expanded disclosures this year and we will continue prioritizing engagement in this region due to its evolving energy grid.

Expanding supplier disclosures – in both volume and guality - has strengthened our Scope 3 Category 1 emissions reporting. We integrate actual supplier emissions data with a spend-based estimate to calculate emissions for a more accurate hybrid emissions accounting approach. We will continuously enhance this approach by improving data quality and increasing the use of supplierreported emissions in our Scope 3 calculations.

We also expanded water-related disclosures by requesting that suppliers report on water impacts alongside climate disclosures, leading to an overall disclosure rate of 64% in 2024. We also developed an internal Water Impact Score, leveraging CDP's water-intensive industries data, WRI Aqueduct's water scarcity assessments, and proprietary inputs to identify high-impact areas within our supply chain.

#### **Business Partner and Supply Partner** Code of Conduct

Our Business Partner and Supply Partner Code of Conduct sets clear expectations for our suppliers regarding business integrity, social and environmental responsibility, and continuous sustainability improvement. It is embedded in our standard procurement terms and conditions and applies to all global suppliers. We also expect our suppliers to uphold these standards within their own supply chains.

In early 2024, we updated the Code to align with evolving regulations on environmental protection, human rights, and labor practices. This update also unified the legacy Xylem and Evogua business partner and supplier codes of conduct. The revised Code strengthens social and environmental expectations and invites suppliers to suggest initiatives - via Xylem's Integrity Line - that enhance safety, efficiency, and sustainability by reducing carbon emissions, waste, or costs.

We continue training our global procurement teams to further integrate sustainability and compliance into procurement processes.

#### EcoVadis engagement

To drive compliance with our Business Partner and Supply Partner Code of Conduct, we request that suppliers report to EcoVadis, evaluating their performance across four key areas: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement. In 2024, we expanded the program to include legacy Evoqua suppliers, building on strong yearover-year growth. With 42% of supplier spend reporting through EcoVadis, we can measure and enhance social impact across our supply chain while reinforcing responsible sourcing practices. To further strengthen supplier accountability, we are utilizing EcoVadis' Corrective Actions, to incentivize suppliers' score improvements, particularly in human rights and labor practices.

We also employ multiple strategies to increase supplier participation on EcoVadis, emphasizing regulatory compliance, strategic partnerships, and incentive-based engagement. A key example is our award-winning supply chain finance program with ING, which offers suppliers improved borrowing rates and payment terms in exchange for compliance with sustainability standards. This mutually beneficial model enhances supplier financial flexibility while supporting Xylem's sustainability and compliance objectives. For more details on how sustainable financing integrates sustainability into our business, see our "Sustainable finance" section on page 25.

42% of Xylem's global supplier base by spend completed EcoVadis assessments.

#### WASH4Work Carbon Border Adjustment Mechanism (CBAM) readiness

In 2024, we partnered with an external expert to prepare for the Carbon Border Adjustment Mechanism (CBAM), EU legislation that extends the carbon price imposed on EU products to imported goods and requires EU businesses to collect direct and indirect emissions data from their suppliers. We established a task force, co-led by the Procurement and Trade Compliance team, to support supplier and legal entity reporting readiness.

We have launched a targeted campaign engaging key suppliers responsible for more than 80% of imported emissions. We hosted virtual awareness sessions for non-EU suppliers, educating them on CBAM's significance and guiding them in providing the necessary emissions data for accurate reporting. As we refine our approach, we aim to automate processes wherever possible to enhance data quality and accuracy.

#### Strengthening our supplier base

We are committed to attracting a high-caliber supply chain, including small businesses and suppliers that reflect the broad spectrum of markets we serve. Our Supplier Opportunity Program focuses on generating economic value, creating job opportunities, and fostering innovation through increased competition, strategic sourcing, and building relationships with a range of businesses across the United States.

We have also grown our Tier 2 supplier program, reinforcing collaboration among organizations that share our commitment to having an inclusive procurement process and promoting opportunity for all.

In 2024, our supplier-focused efforts included the incorporation of legacy Evoqua's supplier base into our program.

In 2024, we continued to emphasize the importance of WASH in the workplace across our supply chain. 43% of our global supplier base by spend is committed to WASH4Work, an initiative that mobilizes and supports corporate action on improving access to WASH in workplaces, supply chains, and communities.

We expect all suppliers to uphold basic working conditions, including providing essential WASH facilities for employees. When suppliers identified gaps through WASH4Work's self-assessment, we supported them in finding and implementing remedial solutions to improve conditions.

#### Volunteering events with suppliers

Volunteering with suppliers through Xylem's Watermark program has proven to be a powerful tool for promoting water education and raising awareness of global water challenges. Discussions around the WASH4Work pledge have also reinforced the value of community engagement among our suppliers through programs like Watermark.

In 2024, we organized more than 100 Watermark events with suppliers, strengthening our partnerships while making a tangible impact in local communities.

## 43%

of our global supplier base by spend is committed to the WASH4Work initiative.

>100

Watermark events were organized with our suppliers.

## Driving community impact

We believe that access to clean water and sanitation is fundamental to sustainable development and robust societies. Through our global corporate social responsibility program, Watermark, we partner with nonprofit organizations to deliver education and solutions that improve water access, strengthen resilience against climate change, and enhance quality of life of communities, employees, value chain partners, and other stakeholders.

Our efforts go beyond technology, focusing on empowering communities through education, collaboration, and action. Whether providing WASH solutions to underserved communities, engaging employees and value chain partners in volunteer projects and fundraising, providing humanitarian aid when natural disasters strike, or leveraging partnerships to build more resilient infrastructure, Xylem strives to create lasting impact where it is needed most.

### **79%**

of all Xylem employees collectively volunteered more than 220,000 hours, participating in skills-based initiatives, implementing WASH solutions for underserved communities, building capacity through training and mentoring, and more.

**2,660** employees volunteered at least 1% of their time (20 hours or more).

## >3.6 million

people were reached with WASH solutions.

## >2.1 million

people were impacted through water education and awareness initiatives.

>16,000

students were engaged globally through our youth programs.

## 43

disasters were addressed through humanitarian aid delivered in partnership with our global nonprofit partners. This included the pro-bono provision of emergency water treatment and dewatering solutions during crises in Brazil, India, the Philippines, the United States, Poland, and Spain.









## Creating lasting change in communities worldwide



**Rio Grande du Sol, Brazil** Humanitarian disaster response

Following devastating floods, Xylem Brazil volunteers partnered with Planet Water Foundation to import and deploy nine AquaBlock water filtration systems, meeting the daily drinking water needs of up to 54,000 people in displaced communities.



**Southeast Haiti** WASH access

In partnership with Americares and their local partners Xylem supported efforts to assist internally displaced people, constructing rainwater harvesting to provide safe water, installing multi-family latrines to prevent open defecation, and spreading hygiene education through community health workers to reduce the spread of cholera. This project helped 5,000 people in two communities in southeast Haiti.

Rome, Italy Youth engagement

Hosted by Risorse, our human resource agency in Europe, we provided problem statements and mentors to inspire innovation at the 2024 Smart&Hack Veneto competition in Italy. Among the more than 200 student participants, a team from Sapienza University of Rome won the challenge for designing the smart meter of the future. Read more about their solution here.



Guiarat state. India Water awareness and education

Xylem India has been empowering young minds in schools across Gujarat and in the city of Vapi through interactive educational sessions on water conservation. These programs have engaged more than 250 students, equipping them with the knowledge and tools to become water stewards and contribute to a more sustainable future.



Employee and stakeholder engagement

In collaboration with our supply partner AV-Display, employees helped to build a water tower at Sakaeo Elementary School in Thailand, delivering a sustainable source of clean drinking water for the entire school community.

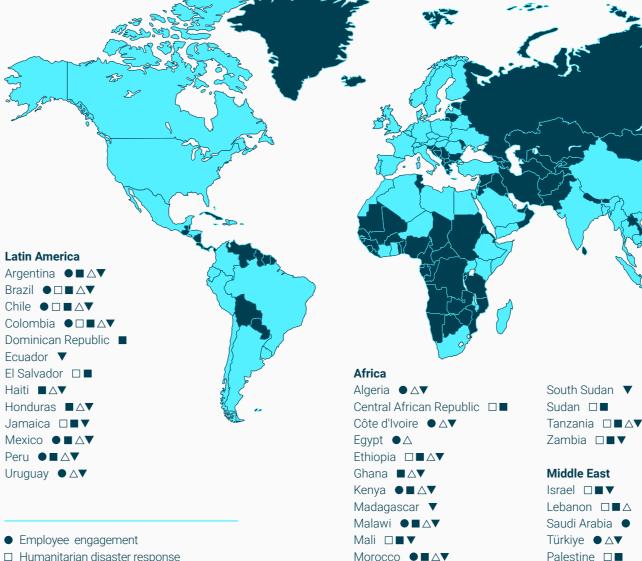


In 2024, 100% of employees participated in community volunteer activities - from tree planting and organizing plogging events to supporting youth competitions and beyond - contributing to a meaningful impact on the local environment and society.

#### North America Canada ● ∧▼ United States of America ●□■△▼

#### Europe Austria ●□△▼ Belgium ● △▼ Cyprus **V** Czechia ●□△▼ Denmark ●△▼

Finland ●△▼ France ●△▼ Germany ●□△▼ Hungary ●△▼ Ireland ●△▼



Nigeria V

Somalia ■△

South Africa ●□■△▼

- □ Humanitarian disaster response
- WASH access
- △ Water awareness and education
- ▼ Youth engagement

Lebanon □■△ Saudi Arabia Türkiye ● △▼ Palestine United Arab Emirates  $\bullet \bigtriangleup \mathbf{V}$ Yemen □■△▼ Quatar ●▼

Italy ●△▼ Luxembourg • Netherlands ●△▼ Norway ●△▼ Poland ●□■△▼ Portugal

Romania ●△▼ Slovakia ● △▼ Spain ●□■△▼ Sweden ●△▼ Switzerland ●△▼ Ukraine ●□■△▼ United Kingdom ●△▼



Asia

Afghanistan □■△▼ Bangladesh ■△▼ Cambodia ●■△▼ China ●■△▼ Hong Kong ● △▼ India ●□■△▼ Indonesia ●□■△▼ Japan ● △▼ Kazakhstan Malaysia ●□■△▼ Nepal □■▼ Pakistan V Philippines ●□■△▼ Republic of Korea ●▼ Singapore ● △▼ Taiwan • Thailand ●■△▼ Vietnam ●■△▼

Australia and New Zealand Australia ● △▼ New Zealand  $\bullet \triangle \mathbf{V}$ 











#### **Employee and stakeholder** engagement

In 2024, we continued to expand and enrich our volunteer programs, offering meaningful opportunities for employees to engage in projects that align with our mission to address water challenges. Through a variety of volunteer initiatives, signature events, and partnerships with local and global nonprofit organizations, we are amplifying our collective impact and advancing a more sustainable, equitable world.



- Our global network of more than 400 employees, serving as Watermark Champions, Leads, and Ambassadors, offered a wide range of in-person, virtual, individual, and skills-based volunteer opportunities for colleagues and partners worldwide, enabling 79% participation this year. At the Yellow Springs, Ohio facility, 100% of employees participated in activities such as river clean-ups, blood donation drives, and food drives, demonstrating their strong commitment to making a positive impact in their community.
- Signature events, designed to unite employees around key focus areas, included both volunteer activities and financial contributions. Building on last year's success, we hosted the fourth edition of Aquaton, expanding it globally. More than 3,000 participants from 50 countries helped raise more than \$200,000 by tracking the kilometers they ran, walked, or cycled. Watermark matched each kilometer with a \$1 donation, benefiting 20 local nonprofit projects across 17 cities, providing access to safe water in multiple countries.

- Xylem strengthened its partnerships with global nonprofits, creating more opportunities for employees to engage in impactful volunteer work. At our Global Leadership Summit in Washington, DC, in collaboration with Mercy Corps, employees gained firsthand insight into the realities of disaster response and the critical importance of supporting these causes.
- Our community grants and matching programs encourage employees and external partners to support nonprofit organizations that align with their values. This year, we supported 84 grants impacting 125,000 people through various local initiatives. Examples included Xylem Watermark's efforts to provide WASH education for children affected by the earthquake in Morocco, addressing significant educational challenges in a region with limited financial resources, particularly for young learners. Through a partnership with Amis Des Ecoles, we supported tutoring programs that reached 400 female students, helping to foster resilience, and continued learning despite the difficult circumstances.

#### Engaging our value chain

We recognize the power of collaboration in driving sustainable impact. That is why we actively engage our external stakeholders including channel partners, supply partners, and customers - in our community impact initiatives. By 2025, our goal is to involve 100,000 stakeholders, amplifying our collective efforts and extending the reach of our programs.



 In November, we invited our channel partners to participate in our annual Month of Action. More than 1,300 partners joined us in a variety of volunteer activities, demonstrating their commitment to making a positive impact.

- More than 300 external stakeholders joined the Walk for Water USA, raising awareness and funds to support schools across the United States that lack access to clean and safe drinking water due to contamination.
- We engaged more than 1,500 external stakeholders at leading industry tradeshows, including WEFTEC, ACE, and Mine Expo. Watermark initiatives were incorporated into event activities, further extending our impact and involving new partners.
- In partnership with **Planet Water Foundation**, we continued our efforts to provide reliable, clean water to communities in need. Collaborating with supply partners and customers across Europe, we supported the construction of sustainable water infrastructure. This year, customer-led fundraising efforts funded two AquaTowers in India.

Through these collaborations, we are significantly expanding the reach of our Watermark initiatives, strengthening partnerships, and creating lasting, sustainable impact worldwide.

79% of all Xylem employees collectively volunteered more than 220,000 hours.

2,660 employees volunteered at least 1% of their time (20 hours or more).

#### **WASH access**

In our world today, 2.2 billion people lack access to safely managed water, 3.5 billion live without adequate sanitation, and 2 billion lack basic hygiene facilities.<sup>35</sup> Overlapping global crises — including extreme weather, conflict, and economic challenges — are not only slowing progress toward Sustainable Development Goal 6 (SDG 6): Clean Water and Sanitation for All but, in some cases, reversing hard-won gains.

Access to safe water and sanitation improves health outcomes and enhances opportunities for education and economic advancement, breaking the cycle of poverty. This is why climate and disaster resilience in WASH is critical. To address this global challenge effectively, we must approach it from multiple angles: through innovation, investment, capacity building, and – most importantly – partnerships. By combining these efforts, we are enabling safe WASH access in communities around the world.

Bold action is urgently needed. According to the World Bank, investments in the WASH sector must at least quadruple to fully achieve SDG 6<sup>36</sup>. Recognizing the urgency, in June we announced our new 2030 Goal to progress in climate-resilient WASH access:

Reach an additional 80 million people by 2030 through climate-resilient WASH access and capacity building in under-resourced, waterinsecure communities.

We are building on our longstanding philanthropic efforts with:

- New investments in water infrastructure and growth companies.
- Expanded commercial business development in WASH.

Together, these efforts contribute to our social impact goal of delivering safe WASH access to communities, while also driving economic value and growth.

#### We are mobilizing funds, time, expertise, and technology to drive impactful WASH projects:

#### Mobilizing donations and volunteers

In 2024, our employees and channel partners volunteered time to assemble almost 2,000 water filters in partnership with Wine to Water. These filters were distributed to households facing water quality challenges, including in Ukraine. Through this initiative – powered by monetary grants and volunteer efforts – nearly 20,000 people gained access to safer drinking water.

#### Investing for impact

Xylem has joined WaterEquity's Water & Climate Resilience Fund as a strategic investor. This new private investment fund provides equity and debt capital to projects and growth companies working across the water value chain, including bulk water supply, water distribution, wastewater treatment, and water reuse. At its target fund size, the fund aims to deliver safe water or sanitation access to 15 million people across Africa, Asia, and Latin America.

#### **Providing WASH solutions**

Through our partnership with LORENTZ, we have expanded our portfolio to include solar-powered and solar/grid hybrid solutions. These technologies are enabling us to serve new markets, particularly in regions like East Africa, where solar water solutions are increasing access to clean water, reducing dependency on fossil fuels and building climate resilience in communities.

- 35
   The United Nations World Water Development

   Report 2024: Water for prosperity and peace
- <sup>36</sup> World Bank Group publication: Funding a water secure future and United Nations: The Sustainable Development Goals Report 2022



#### xylem Impact on society

Spotlight

### Celebrating five years of WASH partnerships

Since 2020, Americares and Xylem have built a multifaceted, strategic partnership that leverages both organizations' expertise and global reach.

Americares is a health-focused relief and development nonprofit that helps people and communities around the world access health in times of disaster and every day. Each year, Americares reaches 85 countries on average with life-changing health programs, medicine, medical supplies, and emergency aid. With a focus on quality health services, Americares includes WASH interventions and training in its support for local health partners.

WASH is critical to quality health care. An estimated eight million people in 137 low- and middle-income countries die each year from poor-quality care.<sup>37</sup> In health facilities, access to safe water and adequate sanitation facilities reduces the risk of contracting WASH-related infectious diseases, contributes to positive patient outcomes, protects health workers, guards against the risk of infections, and limits antimicrobial resistance.

The need for WASH is more urgent than ever as the impacts of climate change expand, and flood waters from storms contaminate water sources, increasing the risk of contracting waterborne disease, including cholera. Conversely, drought makes WASH infrastructure a top priority so that access to safe drinking water is maintained.

Through our partnership, Americares and Xylem have improved access to WASH services in 25 countries, with a focus on improving water, sanitation, and hygiene in community health centers that serve people living with low incomes, in low-resource communities — those who are most affected by disease and disaster. In the first five years, an estimated nine million people gained access to clean water and sanitation, water education or both through this partnership.

With so much accomplished, Americares and Xylem see growth and collaboration in the future, with a continued focus on supporting communities affected by poverty and disaster, improving millions more lives.

Hurricane Helene: Hurricane Helene tore through western North Carolina in September 2024, wrecking key parts of Asheville's municipal water system, fouling countless domestic wells, and damaging health centers and roads. Americares responded immediately with medicine, relief supplies, and emergency grants. By collaborating with Xylem, Americares also worked with Xylem's long-time partner Planet Water Foundation to install AquaBlock water filtration systems in and around Asheville, providing up to 17,000 gallons of safe drinking water a day for thousands of hurricane survivors in Buncombe County.

**Bangladesh:** In a partnership of more than five years that included technical support, Americares and Xylem improved WASH at 174 health facilities in coastal Bangladesh by increasing water storage, installing hygienic toilets and handwashing stations, and conducting training and educational outreach to increase awareness of WASH among staff and the community. Now more than 2.4 million patients and health workers in this low-lying, typhoon-vulnerable region have access to basic WASH services at health facilities each year, while millions more benefit from increased awareness about WASH.

**COVID-19 pandemic:** When the global COVID-19 pandemic overwhelmed health facilities, Americares partners around the world had a critical need for resources: WASH was in high demand. Xylem and Americares rallied around this need, collaborating to develop 11 infection prevention and control and WASH training modules. Americares held 118 training sessions, reaching 1,166 health workers in 60 countries. Americares continued Xylemsponsored WASH infrastructure improvements in 10 countries during the pandemic, making long-term sustainable improvements.

"Our strategic partnership with Xylem has not only improved water, sanitation and hygiene for millions of people, but also deepened our relationship with partners and their constituencies, including ministries of health. Most importantly, the projects we have done together are sustainable, long-term improvements that are improving health and saving lives now — and will for years to come."

Dr. Julie Varughese

Americares' Senior Vice President of Global Programs and Chief Medical Office

<sup>37</sup> World Health Organization (WHO): "<u>Water,</u> sanitation, hygiene, waste and electricity services in health care facilities: Progress on the <u>fundamentals</u>" – June 2023





Above and below right © Americares



## 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 partnerships and targeted outreach, we work to mobilize communities, empowering individuals to adopt responsible WASH practices.

In 2024, we reached 2.1 million people through our water education initiatives, making significant progress toward our water education goal.



- In collaboration with Planet Water, we launched the virtual education campaign *The Germ Chasers* reaching 236,575 people in 5 countries. This initiative educated underserved communities on clean water and hygiene practices by using virtual tools to deliver accessible, interactive learning. By reaching communities where traditional methods were limited, the campaign fostered lasting impact through both knowledge transfer and local empowerment.
- Partnering with EarthEcho International, we reached 18,111 youth and community members with water education and engaged 16,468 participants in taking action to monitor their local water resources and implement projects to protect their waterways. We also introduced the Flushing Challenge, an educational activity teaching primary school-aged children how everyday actions - such as flushing toilets - impact local water ecosystems. EarthEcho Water Challenge Ambassadors and Xylem employees personally brought the program to their local communities, creating awareness and inspiring behavior change at a young age.

- In partnership with Engineers Without Borders USA, we expanded our STEM Education program to inspire community college students through hands-on learning about water infrastructure and sustainable engineering solutions for global development. The goal of this program is to raise awareness and expand outreach of global development issues and the role of humanitarian engineering in community development for underserved students at two-year institutions. In less than one year, the program has reached hundreds of students across twelve community colleges in six states, equipping young minds with the skills and knowledge to address future water challenges through innovation and sustainable practices.
- In collaboration with Earth Cubs, Frank Water, and Arup, we developed engaging and educational content to promote freshwater conservation and sustainability. This innovative partnership aimed to inspire primary school students across the United Kingdom and beyond, utilizing videos and interactive lesson plans to highlight the critical role of water in our world. The initiative reached more than 75,000 students, fostering greater awareness, and understanding of water conservation.

>2.1 M people reached with water education initiatives.



















#### Youth engagement

To empower the next generation to address our critical water challenges, it is essential to equip them with the knowledge, tools, and platforms needed to develop and implement innovative solutions. In 2024, we engaged more than 16,800 students through our global youth programming.

Our flagship youth innovation program, Xylem Ignite, fosters the growth of young talent by providing participants opportunities for mentorship, skills development, innovation, community action, and leadership. These initiatives aim to build awareness, experience, and capabilities that will prepare students to enter the water workforce and drive change in the future.



#### Fostering talent and driving innovation

- This year's Xylem Global Student Innovation Challenge attracted more than 4,400 students from 150 countries to design solutions that address key water challenges, including reducing plastic waste in ocean waters, harnessing remote monitoring technologies, optimizing servitization processes, and improving sustainable designs to lower indirect GHG emissions. Winners, who shared a \$20,000 prize, were invited to join Xylem's Ignite Innovation Incubator to scale their solutions. Read more about the challenge and the 2024 winners here.
- As a founding sponsor, we continued the leading water innovation competition Stockholm Junior Water Prize for students aged 15 to 20. In 2024, Christopher Whitfeld and Wengi (Jonathan) Zhao from the United Kingdom won the prize for their work on an integrated framework to detect and filter PFAS from surface water in the Thames Basin.

 As a challenge statement sponsor, Xylem played a key role in the 2024 World Bank Youth Innovation Challenge. The initiative was launched by former CEO Patrick Decker at COP28, alongside Iffath A. Sharif, Global Director for Social Protection and Jobs from the World Bank. Xylem's Vice President for Sustainability, Austin Alexander, served as a final-round judge and mentor. Xylem played a key role in co-developing the challenge guidelines, evaluating the applications, and mentoring winning teams. The challenge addressed four tracks: too little water, contaminated water, too much water, and mismanaged water. From hundreds of participants in Emerging Markets, twenty young water entrepreneurs were awarded for their impactful solutions. Learn more about the winners here.

#### Community action

 In partnership with Manchester City FC's Cityzens Giving for Recovery program, we supported the Water Champions Project (formerly Water Heroes Academy), which is aligned with Xylem's Watermark

and Ignite initiatives, to empower young people to solve water challenges in their communities. Since its inception in 2021, this program has engaged more than 400 young leaders, and more than 20,000 community members have benefitted from education-and awareness-building projects that leverage the power of football. In 2024, revisiting key cities with strong Xylem ties to deepen our impact, we engaged an expert panel of Manchester City FC and Xylem representatives to select winning youthled projects focused on water education, access, and resilience.

 Collaborating with EarthEcho International, we supported 77 Water Challenge Ambassadors young citizen scientists who led community projects to engage local residents and peers in water restoration. EarthEcho Water Challenge Ambassadors unite across geographies to monitor local waterways and engage their home communities in water education, improvement, and taking action to protect water resources.

#### Mentorship and talent development

- We elevated youth representation in leadership roles through programs such as the Water Environment Federation's InFLOW program, mentorship and sponsorship initiatives, and partnerships with organizations such as the National Society of Black Engineers. Xylem's employee network groups, such as the Emerging Leaders Network, further provided support and leadership opportunities. Read more in the "Our people" section starting on page 48.
- We expanded student engagement with two issues of the Ignite Newsletter, reaching and inspiring more than 7,000 students globally.

### Humanitarian disaster response

In times of disaster, communities' WASH services are often among the first systems to be disrupted. Maintaining or restoring access to clean, safe water and sanitation is critical for saving lives. As are technologies that transport water safely, which can clear roads, enable flooded hospitals to resume operations, and support essential recovery efforts. Beyond immediate relief, building long-term resilience is key to reducing the risk of future disasters for vulnerable communities.

We are committed to mitigating the social and economic impacts of natural disasters by providing sustainable relief to those most in need. Leveraging our global network of experienced employees and partners, we mobilize expertise, resources, and technology to respond quickly and effectively, often in regions where our employees live and work.

In 2024 alone, we delivered humanitarian aid in 43 disaster-stricken areas across 29 countries. Simultaneously, we advanced disaster preparedness initiatives among our employees, partners, and the communities we serve. Our efforts included:

- Deploying in-kind technology such as pumping and water treatment solutions to address contaminated water and flooding.
- Mobilizing community-led volunteer initiatives, involving our employees and partners, including the collection and donation of critical supplies, rebuilding efforts, and more.
- **Providing financial support** through grants and matching fundraisers for nonprofit partners engaged in disaster preparedness, response, and resilience.
- Advancing preparedness among our employees and communities through simulation activities and hands-on WASH education in partnership with Mercy Corps.



• Extreme Flooding in Vadodara, India August 2024

Xylem volunteers rapidly deployed dewatering pumps to clear floodwaters from residential buildings, directly supporting more than 1,200 people and enabling safer conditions for recovery.

#### Flooding in Spain

October 2024 When torrential rains swept the eastern region of Valencia, resulting in the deadliest flash floods in Spain's modern history, Xylem volunteers worked around the clock to deploy more than 20 dewatering pumps with our local partners, at no cost to the impacted communities.

#### • Cholera Outbreak in Yemen March 2024

When a cholera outbreak was declared, Mercy Corps was able to reach 131,000 individuals with WASH solutions, including water monitoring and chlorination, cholera kits, and hygiene promotion, through Xylem's support of Mercy Corps' Rapid Response Fund.

Read more about our humanitarian disaster response efforts <u>here</u>.











#### xylem Impact on society



# Spotlight

### Water security takes all of us



#### Darry Partners taking action

A chance conversation brought together Darryl, Associate Partner and Corporate Vice President at Wallace Eannace Associates, and Chris Long, former NFL player and the founder of the Chris Long Foundation and the Waterboys Initiative.

With a shared a passion for collaborating with communities to solve their water challenges, they embarked on a meaningful journey: Darryl would join the Waterboys on an expedition to climb Mount Kilimanjaro in Tanzania. More than just a physical challenge, the climb was fueled by purpose - to help those without access to clean water.

#### **Team AGWE** The next generation of innovators

"What if we could spread awareness on water in a fun and engaging way?" This simple question inspired Team AGWE to create an experiential tool that combines storytelling and augmented reality to drive action on water conservation.

Their project, which won the grand prize at the 2024 Xylem Global Student Innovation Challenge, stands out for its use of technology and its power to inspire the next generation to apply their talents and passion to the water sector. Read more on page 73.





#### Carolina Employee volunteer

Carolina, a dedicated water specialist working for Xylem in Argentina, is on a mission to expand freshwater access for communities in need – and her impact is profound.

During the pandemic, she launched Aguaton, a global initiative in which every kilometer run, walked, or cycled by our employees and partners helps fund vital water access projects. From Argentina to Morocco, Carolina's efforts are driving a global movement toward a watersecure future.

#### Manuel WASH professional

In Malawi, rural health centers face challenges with reliable water, which critically impacts care for mothers and infants. Manuel, an engineer with Freshwater Project International, is addressing this issue head-on.

Partnering with Xylem and Engineers Without Borders USA, Manual and his team have upgraded water and sanitation systems, improving the health of thousands. His dedication demonstrates the power of engineering and collaboration in building healthier, more resilient communities. Read more on page 21.



Appendix

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# Responsible business conduct

Responsible business conduct is the foundation of our success, shaping how we operate, innovate, and serve our stakeholders. By embedding responsible business practices into everything we do – including upholding the highest standards of ethics and compliance, maintaining a robust cybersecurity program, safeguarding intellectual property to drive innovation, and engaging in responsible political advocacy we reinforce stakeholder confidence and trust.

These commitments not only mitigate risks and protect our longterm business viability but also strengthen our capacity to drive sustainable growth. By operating with integrity, we enhance our impact, helping to build a more resilient and water-secure world.



## Ethics and compliance

Xylem's global Ethics and Compliance program reflects our commitment to conducting business with integrity, upholding our values, and complying with the law. Built on best practices, the program is designed to prevent, detect, and address misconduct while maintaining Xylem's reputation as a trusted leader in the water industry.

We have zero tolerance for workplace misconduct, retaliation, bribery, or corruption, and we expect our business partners to uphold the same ethical standards.

To continuously improve the program, our team regularly reviews regulatory developments, data from the Xylem Integrity Line, insights from our due diligence platform, employee feedback, and findings from audits and risk assessments. Company policies are reviewed, updated, and communicated on an ongoing basis, and ethics and compliance-related training is conducted annually, with many modules requiring employees to certify their commitment to our policies.

Our Chief Ethics and Compliance Officer (CECO) has overall oversight responsibility for our global Ethics and Compliance program, aligning it with legal and regulatory expectations. Together with the Ethics and

Compliance team, the CECO manages and promotes the program, setting the tone for ethics and compliance at Xylem. The CECO also provides program updates at least annually to relevant Board committees and meets regularly with corporate and segmentbased Ethics and Compliance Review Boards - groups consisting of senior crossfunctional leaders who help manage ethics and compliance risks.

Additionally, a network of more than 100 vetted and trained Integrity Ambassadors serves as a vital link between employees and the Ethics and Compliance team. These ambassadors confidentially receive questions and reports, offering local, trusted support to employees worldwide.

By embedding ethics and compliance into our daily operations, we reinforce a workplace of integrity that guides our decisions and strengthens trust with employees, customers, and partners.

#### Code of Conduct

Xylem's Code of Conduct serves as a foundation for ethical decision-making, guiding our employees and stakeholders in conducting business with integrity while upholding our reputation as a trusted employer, business partner, and community leader. It reinforces our commitment to sustainability, inclusion and belonging, safety, and fairness, guiding employees to make decisions that align with our core values, policies, and the law.

Our Code outlines expected business conduct, including acting with integrity, complying with local laws, maintaining data privacy, avoiding conflicts of interest, competing fairly, rejecting corruption and fraud, and fostering a workplace built on respect and non-retaliation. It also

empowers employees and stakeholders to speak up when they witness misconduct without fear of retaliation.

All employees, directors, and officers are responsible for complying with the Code, and we expect our business and supply partners to uphold the high ethical standards outlined in our Business Partner and Supply Partner Code of Conduct. In cases where local laws impose stricter requirements, those laws take precedence.

Employees are required to complete Code of Conduct training upon joining Xylem and on an annual basis. Training is delivered online and through in-person sessions, focusing on key topics. Employees must acknowledge their understanding and commitment to the Code and company policies. Production employees receive annual in-person training along with ongoing communications to reinforce the importance of ethical behavior and speaking up against misconduct.

#### Workplace harassment and violence prevention

We are committed to maintaining a safe, respectful, and inclusive workplace free from harassment and violence. Our Workplace Harassment and Violence Prevention program helps identify, prevent, and mitigate potential risks while reinforcing an environment of dignity and respect.

Employees receive training at least annually, supplemented by regular communication on recognizing warning signs of harassment or violence and when to escalate concerns to the Ethics and Compliance team. By fostering awareness and accountability, we create a workplace where everyone feels safe and empowered-without fear of retaliation.

### Spotlight

#### How our Ethics and Compliance program builds the foundation for sustainable business success

#### By Hannah Skeete Chief Ethics and Compliance Officer at Xylem

Integrity isn't just a value – it's the foundation of everything we do. Our Ethics and Compliance program is a core part of our corporate governance, embedding ethical decision-making into our organization. By fostering trust, workplace safety, and employee well-being, we strengthen Xylem's reputation and longterm success.

We have all the elements of a strong, multinational Ethics and Compliance program: clear and accessible policies, engaging training, hands-on leadership, multiple ways to report concerns, robust controls to prevent and detect misconduct, and data-driven insights to assess risks and enhance communication. But what truly sets us apart is our people. Our dedicated Ethics and Compliance team, along with a network of more than 100 Integrity Ambassadors, is passionate about promoting integrity. In 2024, we invited colleagues to apply to become Integrity Ambassadors, and the overwhelming response reinforced just how deeply our values resonate across the company.



That commitment was evident during my visit to several Xylem facilities in Latin America last year, where I joined other Xylem leaders to conduct in-person compliance training. The experience was incredible. Colleagues at every level asked insightful questions and provided valuable feedback that continues to shape and strengthen our program. More importantly, they saw firsthand how living by our Code of Conduct and policies impacts our stakeholders, builds trust, and empowers them to speak up - knowing their concerns will be heard, addressed confidentially, and met with zero tolerance for retaliation.

We are always looking for ways to improve – whether through data-driven insights, or benchmarking against industry best practices. Building on the success of our 2024 in-person training, we plan to expand these interactive sessions in key global locations identified through our risk assessments. We look forward to more conversations, more questions, and deeper engagement because every voice helps shape Xylem's strong and sustainable Ethics and Compliance program.

#### Anti-corruption and fraud prevention

We assess bribery and corruption risks at least annually and monitor them closely, with our Ethics and Compliance team overseeing remediation when needed. We regularly evaluate higher-risk third parties to identify, mitigate, and monitor potential corruption risks. Our policies, training, and communication support these efforts, while our Internal Audit function conducts riskbased facility audits to maintain compliance with regulations such as the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act of 2010, and other global anti-corruption laws. In 2024, no material incidents of corruption were identified.

Aligned with our Anti-Corruption Policy, we have implemented a due diligence framework to identify higher-risk third parties requiring periodic review based on a risk-ranking algorithm. These third parties must confirm adherence to our Business Partner and Supply Partner Code of Conduct and compliance with all applicable anti-corruption and antibribery laws. Based on their assessed risk level, they may be required to complete online anti-corruption training via our due diligence platform.

Our Gifts, Hospitality, Travel, and Charitable Contributions Policy promotes compliance with applicable anti-corruption laws while allowing us to foster business relationships. Business courtesies that pose higher risks are tracked and pre-approved by the Ethics and Compliance team.

To prevent fraud, we maintain policies, procedures, and controls, including an expense reporting tool that continuously monitors for potential fraud risks.

We conduct annual anti-corruption training for employees - both online and in person to reinforce policy expectations. From time to time, in-person anti-corruption training is provided for key commercial partners.

#### **Antitrust**

Our antitrust program fosters compliance with antitrust and competition laws by proactively identifying, managing, and mitigating related risks. Our policies, training, communication, and guidance support fair competition and prevent anti-competitive practices. Along with online training and in-person training, employees receive targeted training before trade shows and similar events to reinforce awareness of antitrust risks. In 2024, inperson antitrust communication was provided in person to key commercial partners.

#### **Conflict of interest**

Our Conflict of Interest Policy and Guide apply to all directors, officers, and employees, helping them recognize and address conflicts between personal and company interests that could impact ethical decision-making or Xylem's reputation and integrity. Regular training and communication support employees to effectively identify and mitigate conflicts, protecting individuals and the company.

#### Ethics and compliance training

Integrity is one of our core values and it is fundamental to how we do business. We regularly communicate and provide training on ethics and compliance topics to uphold the highest ethical standards across our organization. Our training materials – both online and instructor-led - are continuously reviewed and updated based on internal insights, including reports to the Xylem Integrity Line, emerging ethics and compliance trends, industry developments, and evolving regulations.

Our training covers a broad range of critical topics, including our Code of Conduct, raising concerns, preventing harassment, non-retaliation, respect in the workplace, anti-corruption and due diligence, fraud prevention, antitrust, attorney-client privilege, substance abuse prevention, data privacy, and cybersecurity. Through our global

training programs and targeted sessions for specific functions, we consistently achieve a high completion rate, exceeding 95% for our training modules. In 2024, we reached a 99% completion rate for online employee ethics and compliance training and delivered approximately 3,135 hours of instructor-led ethics and compliance training to employees worldwide.

Beyond our internal workforce, we extend ethics and compliance training to key commercial partners, covering essential topics such as anti-corruption and our Code of Conduct.

#### **Reporting mechanisms**

Xylem employees are encouraged - and expected – to speak up if they have questions or concerns about ethics and compliance. Retaliation against those who raise concerns in good faith is strictly prohibited. Every report is taken seriously, and we are committed to responding promptly.

To reinforce the importance of raising concerns, we actively communicate reporting options throughout the year through multiple channels, including our website, intranet, printed materials, training programs, and company-wide town halls.

Employees and other stakeholders can report concerns through:

- Xylem Integrity Line A 24/7 confidential reporting portal available to employees, suppliers, and customers in Xylem's key languages. Reports can be submitted online or by phone, with the option to remain anonymous. The Integrity Line is designed to comply with regulations such as the EU Whistleblower Directive and GDPR.
- Integrity Ambassador Network A global network of more than 100 trained Integrity Ambassadors who serve as trusted local resources for ethics and compliance

concerns. They are required to take all reasonable and legally permissible steps to protect the identity of individuals reporting in good faith.

- Internal resources Employees can report concerns directly to various internal resources including management, Human Resources, Legal, Internal Audit, or the Ethics and Compliance team, including the Chief Ethics and Compliance Officer.
- Audit Committee of the Board Concerns can also be raised directly with the Board's Audit Committee, which operates independently of management.

#### 2024 Xylem Integrity Line – Types of reports received

In 2024, we received and investigated 257 reports, reinforcing our commitment to maintaining a transparent and accountable workplace.

**1%** Accounting



#### **58%** Employee relations



# Cyber security

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. To assist with oversight of cybersecurity, the Board Board has delegated the responsibility to oversee certain aspects of cybersecurity, including controls and reporting, to its Audit Committee.

The Audit Committee or the full Board receives reports from Xylem's Chief Information Officer and Chief Information Security Officer at least semi-annually, covering topics such as updates on Xylem's cybersecurity risk profile, assessments of enterprise and product security programs, management's strategy for mitigating risks, measures to identify and address cybersecurity threats, progress on initiatives to enhance Xylem's cybersecurity posture, the evolving cybersecurity threat landscape, and other relevant matters.

#### **Risk management and strategy**

Cybersecurity risk management is integrated into our our enterprise risk management (ERM) program, which guides our approach to identifying, assessing, prioritizing, and mitigating risks, with a focus on addressing the most significant threats to Xylem. The Board receives a report from Xylem's management on the results of our annual ERM risk assessment, along with periodic updates on the ongoing monitoring of Xylem's risks, including cybersecurity. As part of this program, we conduct an annual assessment of risks, including those related to cybersecurity, and continuously monitor them.

We maintain a comprehensive cybersecurity program that encompasses our enterprise information technology, including operational technology, third-party technology dependencies, and connected products and services.

Our Enterprise Cybersecurity program is guided by the National Institute of Standards and Technology's (NIST) Cybersecurity Framework. Key areas of responsibility in the program 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 and ISO 27001 standards to enable protection and resilience across products and services. Key areas of responsibility 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, resiliency, integrity, and continued availability of our 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 enterprise and product security programs undergo regular testing, including periodic vulnerability scanning and penetration testing. 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.

We maintain cybersecurity policies that apply to all employees, businesses, and functions, as well as third-party vendors and contractors, in accordance with our legal agreements with them. These policies specify roles and responsibilities, fundamental principles, and proper controls required for Xylem's protection, and also require the use of certain cyber risk management processes for onboarding new suppliers and third parties. We periodically review our policies to identify potential gaps or areas for improvement, considering changes within Xylem and its connected products and services.

Employees receive annual and ongoing education and training on relevant cybersecurity risks and practices, including how to protect information and systems from cyber threats. We also conduct monthly phishing simulations to increase our employees' abilities to detect and prevent such threats.

#### **Incident response**

Our Cybersecurity Incident Response Plan (CIRP), 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 CIRP undergoes at least annual tabletop exercises. The results of these exercises are used to identify areas for improvement in our processes and technologies. We have protocols and processes to escalate certain cybersecurity incidents, as specified by our CIRP, within Xylem and, when appropriate, to the Audit Committee of the Board of Directors.



## 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.

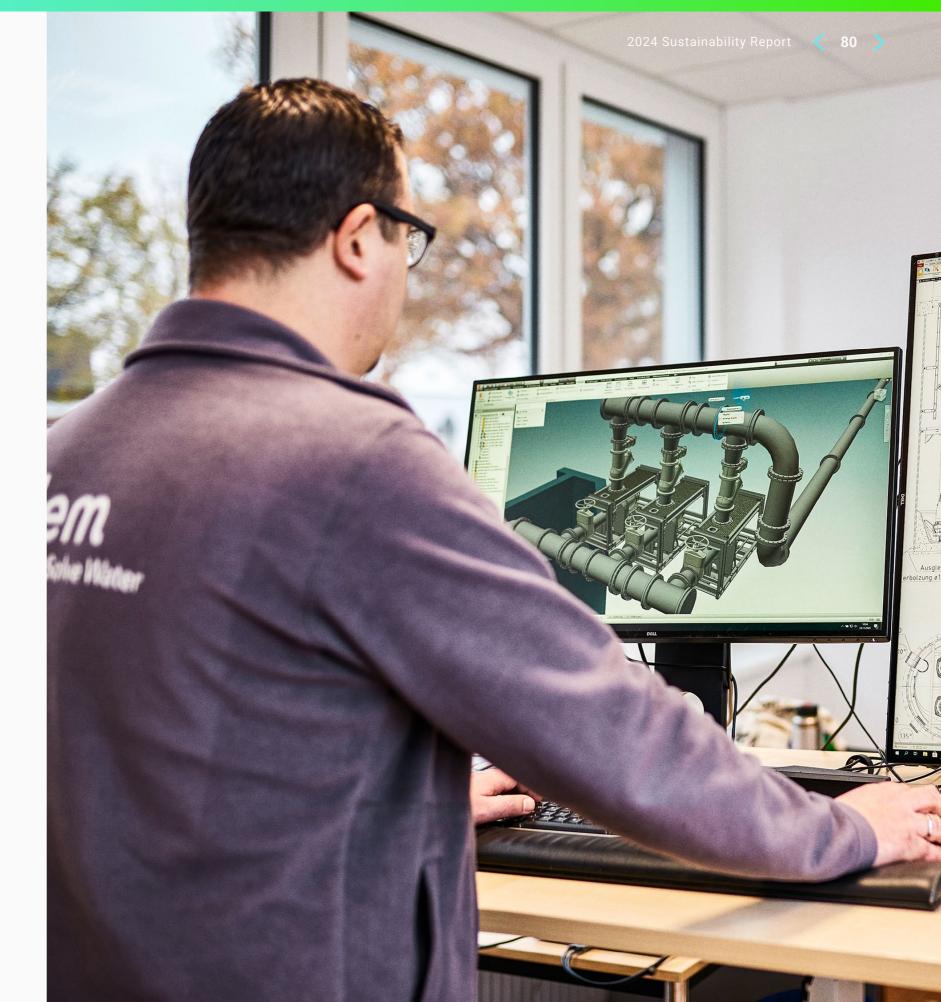
We protect intellectual property to prevent its unauthorized use and thereby maintain the competitive advantages it provides us and our customers. Our company-wide Intellectual Property Policy guides the management of intellectual property, including the protection of patents, trade secrets, proprietary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

At the end of 2024, Xylem had approximately 4,900 patents, 1,250 patent applications, 3,400 trademark registrations, and 170 trademark applications in more than 100 countries.

### 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.



# **Political engagement**

We engage with elected officials, policymakers, trade associations, coalitions, industry, and nonprofit stakeholders to accelerate progress in addressing global water challenges. Our dedicated government affairs team guides our response to business-critical issues, helping us seize opportunities and mitigate risks arising from new laws and regulations. The team also shares insights on regulatory developments, government funding, and incentives to inform business strategies across the organization.

Our advocacy efforts involve direct engagement, coalition building, and collaboration with like-minded industry and nonprofit organizations. We are active in key trade associations that help advance our public policy agenda, with a primary focus on the European Union and the United States, where we have our most significant business presence. As part of our commitment to global governance, we are gradually expanding our advocacy efforts worldwide.

#### Advocacy highlights in 2024

#### **United States**

Xylem closely monitors environmental regulations in the United States that impact our customers. In 2024, the U.S. Environmental Protection Agency (EPA) finalized drinking water regulations for PFAS chemicals. We have been actively monitoring the EPA regulatory process and remain prepared to support drinking water utilities in deploying effective solutions.

We also continue to advocate for an industrial water reuse tax credit, which would offer a tax incentive to industrial water users implementing water reuse technologies. We support this effort in collaboration with the WateReuse Association.

Additionally, in collaboration with six other companies, we continue working towards incentives for smart water technologies. For example, the Water Infrastructure Modernization Act (HR 3490) would establish an EPA grant program to fund digitally enabled water technologies, enhancing efficiency and resilience against drought and water scarcity.

#### **European Union**

Xylem has played a key role in advising the European Commission on much-needed revisions to the European Urban Wastewater Treatment Directive, collaborating with industry coalitions and trade associations to strengthen wastewater sustainability standards. Successfully adopted in 2024, the updated Directive introduces new requirements for energy neutrality, GHG emissions monitoring, and advanced treatment for micropollutants.

We are also advocating for a European Water Resilience Strategy to proactively address current and future water challenges through policy and funding. The strategy is set for development in 2025.

Finally, in collaboration with 13 leading global companies, we are urging policymakers to accelerate digitalization in the water sector to drive sustainability. To this end, we published a joint statement outlining key policy recommendations for European decision-makers.

#### **Engaging with trade** associations

Trade associations play an important role in fostering collaboration and uniting stakeholders to pursue common goals. As a member of various trade associations worldwide, we leverage our partnerships to advance our policy agenda and business objectives. However, our membership does not imply agreement with all policy positions held by these associations.

In 2024, we continued the implementation of a comprehensive initiative to develop a unified approach to tracking and managing our engagement with trade associations globally. This allows for greater accountability that the activities and benefits derived from these trade associations align with our business interests and reflect our views and values. We place significant value on trade associations that prioritize building human capital through inclusion and belonging, education, and volunteerism.









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# Appendix



## Accounting principles

#### Mergers and acquisitions

2024 data presentation due to changed ownership in Global Omnium Idrica, S.L.: In December 2024, Xylem acquired a majority ownership in Global Omnium Idrica, S.L., an international pioneer in water data management, analytics, and smart-water solutions. 2024 data presented in this report does not include any Global Omnium Idrica, S.L. data.

2024 data presentation due to Heusser Water Solutions AG: In December 2024, Xylem acquired Heusser Water Solutions AG, a pumping solutions distributor and service provider in Switzerland. 2024 data presented in this report does not include any Heusser Water

#### 2023 data presentation due to Evoqua

Solutions AG data.

acquisition: In this 2024 report, we still use the terms "legacy Xylem" and "legacy Evogua" where applicable, which refer to the business and operations of each legacy organization prior to Xylem's acquisition of Evogua on May 24, 2023. "Xylem" refers to the combined company.

2024 reporting has been presented on a consolidated basis for the combined company Xylem. Except where otherwise noted, 2023 sustainability data have also been presented on a consolidated basis. For the years 2019 to 2022 and in cases where it was not possible to consolidate 2023 data (e.g., due to the companies' different fiscal years or data availability), we disclose the data separately.

#### Accounting principles – Impact on the environment

#### 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, as identified in 2019, or those located in areas facing extreme water stress, are considered major facilities. Legacy Xylem identified 22 such facilities in 2019<sup>38</sup>: Auburn (New York), Bridgeport (New Jersey), Cheektowaga (New York), Dubois (Pennsylvania), Lubbock (Texas), Morton Grove (Illinois), Pewaukee (Wisconsin), San Diego (California), Slaton (Texas), Texarkana (Texas), and Uniontown (Pennsylvania) 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. In 2023, our facility in Slaton (Texas) closed, which leaves 21 major facilities. The list of facilities undergoes periodic review to include facilities consistent with this definition.

Scope of environmental metrics: The environmental metrics in this report reflect data from 427 selected Xylem facilities - 356 sales and service locations and 71 manufacturing facilities - monitored through our Environment, Health, and Safety (EHS) platform. In 2024, as part of our ongoing commitment to continuous improvement, we enhanced data collection from our smaller service branches and offices, which previously had limited emissions data availability.

#### Water management

Groundwater: Water that is being held in and can be recovered from an underground formation.

Seawater: Water in a sea or an ocean.

Surface water: Water that occurs naturally on the earth's surface in ice sheets, ice caps, glaciers, icebergs, bogs, ponds, lakes, rivers, and streams. Surface water includes collected or harvested rainwater.

Third-party water: Municipal water suppliers and municipal wastewater treatment plants, public or private utilities, and other organizations involved in the provision, transport, treatment, disposal, or use of water and effluent.

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. Measured in megaliters.

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 under Xylem's operational control (megaliters) per annual revenue (in million \$).

Water usage: The total volume of water withdrawn from surface water, groundwater, seawater, produced water, and third-party water.

#### **Energy consumption and** emissions reduction

- Direct CO<sub>2</sub> emissions (Scope 1): GHG emissions from sources that are owned or controlled by Xylem (e.g., renewable energy generated, natural gas, gaseous and liquid propane, fuel oil, diesel fuel, gasoline/petrol, liquified petroleum gas (LPG), refrigerants leakage, and cryogenic  $CO_2$ ), as outlined by the GHG Protocol Corporate Accounting and Reporting Standard.
- Fuel oil usage: Includes fuel oil used for heating of facilities, forklift trucks, and rental pumps owned and operated by Xylem when providing service to a customer that includes us supplying the fuel.
- Gaseous propane usage: Includes propane gas used for heating (such as foundry ovens), forklift trucks, heating of parts, and stator burning.
- Gasoline/petrol consumption: Total volume of gasoline consumed by service trucks and company cars.
- Indirect CO<sub>2</sub> emissions (Scope 2): GHG emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by Xylem (e.g., purchased electricity and purchased heat, etc.), as outlined by the GHG Protocol Corporate Accounting and Reporting Standard. We use both location- and market-based calculation methodologies.

• Indirect CO<sub>2</sub> 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, as described below:

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.

Categories 2 and 6 utilized spend-based emission factors from the U.S. EPA Environmentally Extended Input-Output (USEEIO) database to estimate emissions associated with our corporate spend related to the purchase of capital goods and business travel activities.

**Category 3** utilized fuel and electricity totals in conjunction with upstream emission factors related to the well-totank emissions as well as transmission and distribution losses sourced from the International Energy Agency (IEA) and the U.K. 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 metric tons of waste types generated in our operations and assigning average data emission factors from ecoinvent v3.10.

<sup>&</sup>lt;sup>38</sup> In 2023, the Slaton facility in the United States, originally designated as a major facility in 2019, was closed. The updated list of major facilities now comprises 21 locations.

- Category 7 was assessed using a distancebased approach. The data used included distances of employee commutes, emission factors from the U.S. EPA GHG Emission Factors Hub 2025, and 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). Employee commuting records missing key data were modeled using available information.
- Category 9 was estimated by determining the average percentages of sales that go to distributors, assuming that this same percentage of products emitted emissions similar to Xylem's upstream transportation emissions.
- Categories 11 and 13 were calculated by estimating energy usage by sold and leased products, respectively. For electrically powered equipment, countryspecific generation-based emission factors from the International Energy Agency were used, which include the emission of primary combustion gases and an adjustment for inter-country electricity trade. For equipment that is powered directly by the combustion of fossil fuels, emission factors from the U.S. Energy Information Administration were used.
- Category 12 was calculated using a product-weight approach. Productspecific weights were multiplied by regional disposal factors to estimate total emissions. Emission factors were sourced from ecoinvent v3.10, with waste disposal assumptions based on Eurostat for EU shipments and U.S. Environmental Protection Agency data for North America and other regions.

- Category 15 was calculated using an investment-specific approach in which the equity ownership percentage that Xylem holds in each joint venture is used to assign an equal proportion of each investment entity's Scope 1 and 2 emissions. As these entities did not have Scope 1 and 2 emissions data available. they were estimated by applying U.S. EPA EEIO supply chain emission factors to each entity's reporting year revenue.
- Categories 8, 10, and 14 were determined to be not material to Xylem's business model.
- Liquefied petroleum gas (LPG) mobile **source:** Total volume of liquefied petroleum gas (LPG) consumed by service trucks and company cars.
- Liquid propane usage: Total volume of propane gas purchased under liquid form used for heating of premises, forklifts, heating of parts (e.g., bearing mounting and wear ring assembly), and stator burning.
- Natural gas usage: Total volume of natural gas purchased.
- Other air emissions: Carbon dioxide  $(CO_2)$ , methane  $(CH_4)$ , nitrous oxide  $(N_2O)$ , and volatile organic compounds (VOCs) measured in metric tons.
- Purchased renewable energy credits: Total amount of certified renewable electricity purchased from electricity providers and certified renewable energy converted into kilowatt-hours (kWh).

- Renewable energy: Defined as any of the following: renewable electricity (e.g., solar, hydro, biomass, 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) and certified RECs that Xylem purchased 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, e.g., geothermal, wind, solar, hydro, and biomass.
- Renewable electricity generated: The total amount of renewable electricity generated at a Xylem-operated facility, regardless of whether the equipment used to generate the electricity is owned or leased, measured in megawatt-hours (MWh).
- 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.
- Scope 2 (location-based): Scope 2 GHG emissions based on average energy generation emission factors for defined geographic locations, including local, subnational, or national boundaries.
- Scope 2 (market-based): Scope 2 GHG emissions based on GHG emissions emitted by the generators from which Xylem contractually purchases electricity bundled with contractual instruments, or contractual instruments on our own.

- Total GHG emissions (Scope 1 & 2) annual revenue (in million \$).
- renewable energy credits, renewable electricity generated, and renewable per annual revenue (in million \$).

intensity: The total amount of Scope 1 and of non-hazardous waste that is placed directly Scope 2 emissions (metric tons CO<sub>2</sub>e) per in a landfill, without any prior treatment (except stabilization, blending or other operations), measured in metric tons. • Total net GHG emissions (Scope 1 & 2) intensity: The total amount of Scope 1 and Non-hazardous waste to non-landfill: Total Scope 2 emissions after deducting the weight of non-hazardous waste that is neither GHG emissions avoided through purchased recycled nor placed directly in a landfill. Packaging material: Includes corrugated purchased heat, considered as net GHG fiberboard, plastic wrap, liquid foam packaging emissions (including renewable electricity) (Instapak), rolled foam, wood (crates and pallets), paper, metal, and other plastic. Resource use and circular economy Zero waste to landfill for 2025 Company Sustainability Goal (Operations): Achieved when Hazardous waste: As defined by the national a facility adheres to industry-wide standards legislation at the point of generation, measured dictating that a minimum of 90% waste is diverted from landfills, with no more than 10% in metric tons. used for energy recovery. Waste is considered Hazardous waste recycled: Total weight of to derive from processing when, during hazardous waste recycled at the facility or by a manufacturing or processing, it comes into direct

waste contractor, measured in metric tons. contact with, or results from the use of, any raw material, intermediate product, finished product, or byproduct. Waste includes process scrap.

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: Waste that does not harm human or environmental health. Nonhazardous waste is "general waste," free of any actual or apparent contamination (e.g., pathological, infectious, radioactive, or hazardous chemical). It is 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

**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.

Polluted water: Water that is released into waterways from combined sewer overflow (CSO) events.

Product lifetime: The expected lifetime use of a product, as judged by Xylem subject matter experts. Product lifetime is applied in formulas for calculating the estimated full lifetime impacts of a product that is purchased. It is not applied in rental scenarios.

Reduction of global water demand for 2030 **Customer Sustainability Goal:** Starting in 2025, we will measure progress toward this goal through the end of 2030. The volume of water demand reduced by our customers will be measured using the Volumetric Water Benefit Accounting (VWBA) tool -a standardized, science-based methodology for assessing the benefits of water stewardship activities. Currently, this goal includes contributions from Xylem technologies that enable water reuse and leak detection.

Reduction of water's CO<sub>2</sub>e footprint for 2025 Customer Sustainability Goal: The enabled reduction of emissions, in metric tons of CO<sub>2</sub>e, achieved through the increased energy efficiency when the most current Xylem innovative technology is installed instead of a less efficient industry-standard product. The full lifetime impact of the solution, based on product lifetime, is counted in the year of purchase. Total annual emission impacts are then accumulated from 2019 to the reporting year.

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 intended to be employed 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 annual volume of polluted water prevented from entering waterways, attributed to the implementation of Xylem solutions. Total annual volumes are then accumulated from 2019 to the reporting year.

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.

Scope 3, Category 11 methodology: The Category 11 emissions calculation takes a product-specific approach, evaluating usephase emissions based on factors such as average power consumption, annual sales, product destinations, operational runtime, and product lifespan. To provide accurate regional estimates, we apply country-specific electricity and fuel-based emission factors from the IEA.

In 2024, we introduced a hierarchical method for estimating power consumption to improve accuracy. This approach prioritizes real-world data from asset monitoring systems, followed by weighted average input power derived from industry standards and manufacturer test data. When such data is unavailable, we use a discounted rated input power, applying correction factors from third-party studies to better reflect real-world conditions. If suitable correction factors are not known, unadjusted rated input power is used for products that are known to operate near their rated values.

#### Accounting principles – Impact on society

#### Our people

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 the end of the period. This is a rolling 12-month rate.

Employees by age: The 2024 and 2023 data are based on available records and exclude employees whose date of birth is not captured in Workday - 1.4% of Xylem employees in 2024 and 0.9% in 2023.

Employees by gender: The number and percentage of employees by their selfidentified gender (man/woman/not disclosed) across leadership and management categories.

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).

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."

#### Leadership and management categories:

Leadership: employees who are in a director level or above, significant business leader, or 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.

Number of employees: Year-end headcount of employees under Xylem's financial control with a valid permanent contract, excluding interns, apprentices, contractors, and seasonal and temporary employees.

Women in leadership: The number and percentage of employees that self-identify as women who are in a director level or above, significant business leader, or executive leader role.

#### Health and safety

Contractor: A person or business that provides goods or services for an enterprise but works for, is directly supervised by, and is paid by a separate person or company.

Fatalities: Number and rate of fatalities resulting from a work-related injury or workrelated ill health.

Lost time injury rate (LTIR): Calculation formula for LTIR per 100 full-time employees over a one-year timeframe based on the assumption that one full-time worker works 2,000 hours per year: (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 pages 94-95.

Recordable incident: A work-related injury or work-related ill health that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or a significant injury or ill health diagnosed by a physician or other licensed health-care professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.

Serious incident and fatality rate (SIF):

Calculation formula for SIF: (number of level one injuries or illnesses x 1,000,000) / number of worked hours. The number of injuries or illnesses, or both, in the numerator and the number of hours worked must cover the same time period and the same population of employees.

Total recordable incident rate (TRIR):

Calculation formula for TRIR per 100 fulltime employees over a one-year timeframe based on the assumption that one full-time worker works 2,000 hours per year: (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 pages 94-95.

#### **Responsible sourcing**

Global spend for Xylem: All third-party 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.

**Number of suppliers:** Suppliers for which Xylem's spending exceeded \$10,000 in the reporting 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 AguaBlock Emergency Water System deployed in partnership with Planet Water Foundation can produce 700 liters of drinking water per hour, effectively meeting the daily drinking water needs of up to 6,000 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 impact of these interventions. This evaluation takes into account the population utilizing these facilities and those who benefit from the improvements moving forward. For our 2030 WASH goal, we are utilizing the WASH benefits accounting framework, a standardized approach for estimating and valuing the multiple benefits of corporate investments in drinking water, sanitation, and hygiene access to measure the impact of in-kind donations and sales of our solutions. This framework allows us to apply various methodologies based on our deployed WASH solutions, helping maintain the accuracy of our estimates as we scale up our impact. Starting in 2025, we will measure progress toward this goal through the end of 2030.

Operating at the systemic level, we advocate for WASH access and education improvements by collaborating with partners who aim to foster change at the governmental level. When Xylem allocates dedicated funding to our partners for systemic WASH programs, we are able to track our reach in terms of improved WASH education and access as a proportion of the partners annual WASH beneficiaries.

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 waterborne 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 as 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<sup>39</sup>

	2024			<b>2023</b> <sup>40</sup>			2022		2021		2020		2019
	Xylem	Combined	Legacy Xylem	Legacy Evoqua <sup>41</sup>	Legacy Xylem	Legacy Evoqua <sup>42</sup> Q422 <sup>43</sup>	Legacy Evoqua <sup>44</sup>	Legacy Xylem	LegacyEvoqua <sup>45</sup>	Legacy Xylem	Legacy Evoqua <sup>46</sup>	Legacy Xylem	Legacy Evoqua <sup>47</sup>
Water (in megaliters)													
Total water withdrawal	2,480	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	2,508	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 (%)	100%	82%	76%	83%	74%	83%	67%	36%	57%	16%	63%	12%	62%
Total water treated and released	1,846	32.6	32.6	-	32.7	-	-	56.5	-	53.6	-	56.7	-
Total revenue (million \$)	8,562	<b>8,146</b> <sup>48</sup>	6,187	-	5,522	436	1,737	5,195	1,464	4,876	1,429	5,249	1,444
Total water intensity (megaliters / million \$ of revenue)	0.29	-	0.048	-	0.0591	1.258	1.2330	0.0658	1.412	0.0733	1.419	0.0844	1.362
Waste (in metric tons)													

Waste (III metho tons)													
Non-hazardous waste recycled	29,608	32,067	30,680	1,387	26,703	346	-	22,421	-	21,570	-	21,772	-
Non-hazardous waste to non-landfill	1,594	1,588	1,411	177	1,600	48	-	1,653	-	1,435	-	1,557	-
Non-hazardous waste to landfill	6,455	8,053	5,232	2,821	5,807	708	-	7,140	-	7,295	-	9,132	-
Total non-hazardous waste	37,657	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	1,753	1,241	414	827	355	199	-	377	-	289	-	399	-
Hazardous waste to non-landfill	12,009	13,393	1,224	12,169	1,202	3,066	-	1,437	-	1,090	-	958	-
Hazardous waste to landfill	89	63	12	51	55	34	-	23	-	43	-	111	-
Total hazardous waste	13,851	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	31,361	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	13,602	14,981	2,635	12,346	2,802	3,114	-	3,090	-	2,525	-	2,514	-
Total waste to landfill	6,544	8,117	5,245	2,872	5,861	742	3,154	7,163	2,874	7,338	2,977	9,243	3,090
Total waste	51,507	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 megawatt-hours)													
Renewable electricity generated	1,713	1,526	1,526	-	1,337	-	-	1,203	-	1,036	-	1,031	
Natural gas	127,784	152,898	84,714	68,184	98,832	24,748	102,401	116,305	113,799	88,545	113,337	100,175	115,56
Stationary source gaseous propane	20	161	161	-	55	-	-	10	-	0	-	0.4	
Stationary source liquid propane	1,710	4,729	4,729	-	2,451	-	-	2,206	-	3,249	-	2,318	
Stationary source fuel oil	4,144	6,789	6,049	740	5,832	258	755	8,671	806	7,237	997	5,419	86
Total stationary energy usage	135,370	166,103	97,179	68,924	108,506	25,006	103,156	128,396	114,605	100,067	114,334	108,943	116,42
Mobile source gasoline	65,157	65,885	11,359	54,526	11,815	14,280	48,644	8,237	37,450	3,879	31,802	4,612	33,74
Mobile source diesel	116,552	110,027	59,872	50,155	69,558	11,161	46,400	80,510	47,063	71,652	49,649	76,993	48,93
Mobile source liquid propane	14	1,075	6.6	1,068	1.9	312	1,264	0.7	1,093	0.7	1,083	0.2	1,21
Total mobile energy usage	181,723	176,987	71,237	105,750	81,375	25,754	96,309	88,748	85,606	75,531	82,534	81,605	83,89
Total direct energy usage 49	317,093	343,090	168,416	174,674	189,881	50,760	199,464	217,144	200,211	175,598	196,868	190,548	200,32

Indirect energy by type (in megawatt-hours)													
Purchased electricity	189,500	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	11,235	10,565	10,565	-	9,078	-	-	10,939	-	8,282	-	8,498	
Total indirect energy usage	200,736	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	517,829	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 revenue (million \$)	8,562	<b>8,146</b> 50	6,187	-	5,522	436	1,737	5,195	1,464	4,876	1,429	5,249	1,444
<b>Total energy intensity</b> (megawatt-hours / million \$ of revenue)	60.5	-	54.3	-	65.9	-	-	-	-	-	-	-	-

GHG emissions – Scope 1 (direct) (in metric tons CO <sub>2</sub> e)													
Natural gas used	23,136	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 source gaseous propane	4.2	34.2	34.2	-	11.70	-	-	2.20	-	0	-	0.10	-
Stationary source liquid propane	366	990	990	-	513	-	-	462	-	680	-	485	-
Stationary source fuel oil	1,044	1,710	1,524	186	1,469	65	190	2,185	203	1,823	251	1,365	217
Cyrogenic CO <sub>2</sub>	1.8	1.2	1.2	-	1	-	-	1.5	-	1.3	-	1.3	-
Refrigerant use	75	188	188	-	50	-	-	133	-	183	-	532	-
Total stationary GHG emissions	24,627	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	17,148	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	31,821	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	347	389	168	221	48	62	262	18	226	18	224	4	251
Total mobile GHG emissions	49,315	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	73,943	76,221	37,225	38,996	41,826	11,025	43,093	47,707	42,692	39,051	41,954	42,471	42,650
GHG emissions – Scope 2 (indirect) (in metric tons CO <sub>2</sub> e)													
Purchased electricity	49,459	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	2,545	1,579	1,579	-	2,054	-	-	2,476	-	1,809	-	1,773	-
Total Scope 2 emissions – location-based	52,005	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	17,516	18,272	5,585	12,687	10,132	3,356	-	18,214	-	24,766	-	28,763	-
Total GHG emissions (Scope 1 & 2) intensity (in metric tons CO <sub>2</sub> e / million	\$ of revenue)												
Total GHG emissions (Scope 1 & 2) (tCO <sub>2</sub> e)	125,947	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 revenue (millon \$)	8,562	<b>8,146</b> <sup>51</sup>	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	14.7	-	12.6	-	15.50	0.0327	0.0326	17.75	0.0387	18.20	0.0395	17.64	
Emissions avoided via purchased renewable energy credits (tCO <sub>2</sub> e)	35,035	34,448	34,448	-	32,825	-	-	25,987	-	24,515	-	17,605	_
Renewable electricity generated (tCO <sub>2</sub> e)	0 52	800	800	-	706	-	-	605	-	652	-	681	-
Renewable purchased heat (tCO <sub>2</sub> e)	833	813	813	-	809	-	-	1,039	-	5	-	6	-
Net GHG emissions (Scope 1 & 2) incl. renewable energy ( $tCO_2e$ )	91,459	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	10.7	-	6.9	-	9.2	32.7	32.2	12.4	38.7	13.1	39.5	14.2	39.3
GHG emissions – Scope 3 (indirect) (in metric tons CO <sub>2</sub> e)													
Category 1 – Purchased goods	847,077	869,020	-	-	2,140,679	-	-	2,051,168	190,632	-	-	1,978,871	_
Category 2 – Capital goods	11,731	13,924	-	-	-	-	-	-	5,659	-	-	-	-
Category 3 – Fuel and energy-related activities	30,568	40,998	-	-	2,500	-	-	2,561	13,457	-	-	20,643	-
Category 4 – Upstream transport	190,755	217,852	-	-	101,082	-	-	272,265	41,035	-	-	251,410	-
Category 5 – Waste generated	39,615	14,546	-	-	10,958	-	-	6,776	2,468	-	-	6,050	-
Category 6 – Business travel	23,074	31,518	-	-	6,349	-	-	2,182	6,617	-	-	11,653	-
Category 7 – Employee commuting	48,277	45,064	-	-	20,400	-	-	20,400	6,290	-	-	20,400	_
Category 9 – Downstream transport	82,647	110,346	-	-	63,045	-	-	56,518	-	-	-	45,026	_
Category 11 – Use of sold products	66,845,993	61,288,587	_	-	64,005,249	-	-	58,794,207	1,280,811	-	-	69,500,776	_
Category 12 – End-of-life treatment of sold products	55,895	57,314	-	-	-	-	-	-	-	-	-	-	_
Category 13 – Downstream leased assets	869,498	629,286	_	-	-	-	-	_	73,900	-	-	-	_
Category 15 – Investments <sup>53</sup>	5,327	6,304	-	-	_	-	-	-	-	-	-	_	_
Total Scope 3 emissions	69,050,457	63,324,759	-	-	66,350,262	-	-	61,206,077	1,620,869	-	-	71,834,829	-
Air emissions (in metric tons)													
Volatile organic compound (VOC) emissions	80.6	91.1	91.1	-	90.3	-	-	81.8	-	81.1	-	89.4	_
								5110					
Other GHG emissions (in metric tons)	105 115	E0 040	E0 040		64.050			(0.100					
CO <sub>2</sub>	125,115	58,842 17.1	58,842	-	64,858 17	-	-	69,193	-	-	-	-	-
		1/1						1/	-	-	-		-
CH <sub>4</sub> N <sub>2</sub> O	154 602	79.3	17.1 79.3	-	82.7	-	-	17 85					

<sup>39</sup> See accounting principles on pages  $\underline{83-86}$  for more information.

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 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 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 Xylem's fiscal year from January 1–December 30 of each reporting year. Legacy Evoqua's Q422 data refers to October 1–December 31, 2022.

41-42, 44-47 Representing 45 facilities (44 facilities and the US/Canadian vehicle fleet) of legacy Evoqua that accounted for over 90% of its total environmental footprint metrics.

<sup>43</sup> Legacy Evoqua's Q422 data refers to October 1–December 31, 2022.

 $^{48,\;50-51}$   $\quad$  2023 pro forma revenue of the combined company.

<sup>49</sup> Total direct energy usage = stationary + mobile.

<sup>52</sup> Renewable electricity generated does not produce emissions. In previous years, our figures reflected avoided emissions rather than actual emissions; this has been corrected for 2024.

53 Scope 3, Category 15 (Investments) emissions are estimated using available revenue data and supply chain average emission factors from the EPA. One investment was excluded from this year's calculations due to unavailable revenue information at the time of the publication of this report. We plan to include updated figures in next year's sustainability report.

# Datasheet – Impact on society

	2024			2023		2022		2021		2020		2019
	Xylem	Combined	Legacy Xylem	Legacy Evoqua	Legacy Xylem	Legacy Evoqua	Legacy Xylem	Legacy Evoqua	Legacy Xylem	Legacy Evoqua	Legacy Xylem	Legacy Evoqua
Employees	Aytem	Combined	Legues Ayren	Loguoj Lioquu	Legues Ayrenn	Logaoy Lroqua	Legues Aylem	Logady Lroqua	Loguoj Ajiem	Loguoy Looquu	Loguoj Ajiem	Loguoy Lroquu
Total employees (#)	23,132	22,793	18,251	4,542	17,926	~4,500	17,551	~4,000	16,656	~4,020	16,461	~4,150
Annual voluntary turnover rate (%)	7%	8.5%	8%	11.2%	11.2%	-	13.6%	-	12.2%	-	-	-
<b>By gender</b> (# (%))												
Men	16,924 (73%)	16,950 (74%)	13,390 (73%)	3,560 (78%)	13,145 (73%)	-	12,812 (74%)	-	12,440 (75%)	-	12,445 (-)	-
Women	6,015 (26%)	5,747 (25%)	4,765 (26%)	982 (22%)	4,648 (26%)	- (21%)	4,365 (25%)	- (20%)	4,159 (25%)	- (20%)	4,016 (-)	-
Not specified No answer provided	165 (<1%) 28 (<1%)	96 (<1%) 0	96 (<1%) 0	0	133 (<1%)	-	14 (<1%) 67 (<1%)	-	3 (<1%) 54 (<1%)	-	-	-
•	, ,											
By geographical area (# (%))		40 405 (46%)										
Americas Europe	10,710 (46%) 8,826 (38%)	10,405 (46%) 8,754 (38%)	6,877 (38%) 8,204 (45%)	3,528 (78%) 550 (12%)	6,667 (37%) 8,160 (46%)	- (75%)	6,538 (37%) 7,931 (45%)	-	7,478 (45%) 6,370 (38%)	-	6,520 (40%) 7,250 (44%)	-
Emerging Markets	3,596 (16%)	3,634 (16%)	3,170 (17%)	464 (10%)	3,099 (17%)	-	3,082 (18%)	-	2,808 (17%)	-	2,691 (16%)	-
	·									· ·	· ·	
By management level (# (%)) Leadership – Total	898 (4%)	904 (4%)	725 (4%)	179 (4%)	-			-	_	-	-	
Leadership – Nen	659 (73%)	675 (75%)	534 (74%)	141 (79%)	-	-	-	-	-	-	-	-
Leadership – Women	239 (27%)	229 (25%)	191 (26%)	38 (21%)	180 (25%)	-	158 (25%)	-	137 (24%)	-	-	-
Leadership – Not specified	1 (<1%)	-	-		-	-	-	-	-	-	-	-
Middle mgt. – Total	11,823 (51%)	11,572 (51%)	9,299 (51%)	2,273 (50%)	-	-	-	-	-	-	-	-
Middle mgt. – Men Middle mgt. – Women	8,609 (73%) 3,140 (27%)	8,606 (74%) 2,932 (25%)	6,943 (75%) 2,322 (25%)	1,663 (73%) 610 (27%)	- 2,155 (24%)	-	- 1,909 (23%)	-	- 1,741 (23%)	-	-	-
Middle mgt. – Not specified	74 (<1%)	34 (<1%)	34 (<1%)	-	z,133 (z4%) -	-	1,909 (23%)	-		-	_	-
Non-mgt. – Total	10,410 (45%)	10,317 (45%)	8,227 (45%)	2,090 (46%)	-	-	-	-	-	-	-	-
Non-mgt. – Men	7,656 (74%)	7,669 (74%)	5,913 (72%)	1,756 (84%)	-	-		-	-	-	-	-
Non-mgt. – Women	2,636 (25%)	2,586 (25%)	2,252 (27%)	334 (16%)	2,289 (27%)	-	2,289 (27%)	-	2,250 (27%)	-	-	-
Non-mgt. – Not specified	118 (1%)	62 (<1%)	62 (<1%)	-	-	-	-	-	-	-	-	-
U.S. employees by race and ethnic minority group $(\# (\%))$												
Leadership – Total	88 (19%)	90 (19%)	73 (21%)	17 (13%)	72 (21%)	-	67 (19%)	-	55 (18%)	-	- (<1%)	-
Leadership – African American	16 (3%)	17 (4%)	14 (4%)	3 (2%)	14 (4%)	-	13 (4%)	-	8 (3%)	-	- (<1%)	-
Leadership – Asian American Leadership – Hispanic	33 (7%) 27 (6%)	34 (7%) 29 (6%)	28 (8%) 22 (6%)	6 (5%) 7 (5%)	25 (7%) 21 (6%)	-	25 (7%)	-	22 (7%) 16 (5%)	-	- (<1%) - (<1%)	-
Leadership – Other race and ethnic minorities	12 (3%)	10 (2%)	9 (3%)	1 (<1%)	12 (4%)	-	18 (5%) 11 (3%)	-	9 (3%)	_	- (<1%) - (<1%)	-
Middle mgt. – Total	934 (23%)	881 (21%)	637 (23%)	244 (18%)	552 (21%)	-	512 (20%)	-	485 (18%)	-	- (2%)	-
Middle mgt. – African American	225 (5%)	219 (5%)	162 (6%)	57 (4%)	150 (6%)	-	122 (5%)	-	116 (4%)	-	- (<1%)	-
Middle mgt. – Asian American	322 (8%)	302 (7%)	225 (8%)	77 (6%)	197 (7%)	-	186 (7%)	-	181 (7%)	-	- (<1%)	-
Middle mgt. – Hispanic Middle mgt. – Other race and ethnic minorities	283 (7%) 104 (3%)	276 (7%) 84 (2%)	194 (7%) 56 (2%)	82 (6%) 28 (2%)	158 (6%) 47 (2%)	-	155 (6%) 49 (2%)	-	141 (5%) 47 (2%)	-	- (<1%) - (<1%)	-
Non-mgt. – Total	1,414 (36%)	1,414 (37%)	897 (35%)	517 (38%)	820 (33%)	-	815 (31%)	-	746 (30%)	-	- (21%)	-
Non-mgt. – African American	598 (15%)	593 (15%)	390 (15%)	203 (15%)	330 (13%)	-	315 (12%)	-	296 (12%)	-	- (7%)	-
Non-mgt. – Asian American	134 (3%)	138 (4%)	99 (4%)	39 (3%)	105 (4%)	-	109 (4%)	-	106 (4%)	-	- (5%)	-
Non-mgt. – Hispanic Non-mgt. – Other race and ethnic minorities	539 (14%) 143 (4%)	561 (14%) 122 (4%)	330 (13%) 78 (3%)	231 (17%) 44 (3%)	322 (13%) 63 (3%)	-	331 (13%) 60 (2%)	-	293 (12%) 51 (2%)	-	- (8%) - (1%)	-
	(0,1)	122 (4%)	70 (3%)	44 (3%)	05 (5%)	-	00 (270)		51 (270)	-	- (1/0)	-
Employees by age (# (%)) 54												
<30 years - Total	2,918 (13%)	2,926 (13%)	-	-	-	-	-	-	-	-	-	-
<30 years – Leadership <30 years – Middle mgt.	- 1,268 (6%)	-	-	-	-	-	-	-	-	-	-	-
<30 years – Non mgt.	1,208 (0%)	1,289 (6%) 1,637 (7%)	-	-	-	-	-	-	-	-	-	-
30-50 years – Total	12,400 (54%)	12,260 (54%)	-	-	-	-	-	-	-	-	-	-
30-50 years - Leadership	484 (2%)	497 (2%)	-	-	-	-	-	-	-	-	-	-
30-50 years - Middle mgt.	6,821 (30%)	6,644 (29%)	-	-	-	-	-	-	-	-	-	-
30-50 years – Non mgt. >50 years – Total	5,095 (22%) <b>7,494 (33%)</b>	5,119 (23%) <b>7,412 (33%)</b>	-	-	-	-	-	-	-	-	-	-
>50 years - Leadership	414 (2%)	406 (2%)	-		-	-	-	-	-	-	-	-
>50 years – Middle mgt.	3,542 (16%)	3,510 (16%)	-		-	-	-	-	-	-	-	-
>50 years – Non mgt.	3,538 (15%)	3,496 (15%)	-	-	-	-	-	-	-	-	-	-
Training												
Annual average formal learning hours per employee	16.4	16.7	16.7	16.9	14	-	13	-	6	-	12	-
Employee health and safety	0.50						0.40	1.00	0.10			
Total recordable incident rate (TRIR) Lost time injury rate (LTIR)	0.52	0.61	0.54	0.85	0.64	0.68	0.68	1.20 0.26	0.62	0.81	0.66	1.11 0.25
Fatalities	0.34	0.55	0.33	0.34	0.34	0.09	0.59	0.20	0.31	0.28	0.34	0.25
					-		I				-	
Responsible sourcing												
Suppliers that have taken the WASH4Work Pledge (% of global spend)	43%	-	<b>49</b> %		40.4%	-	35%	-	19%	-	-	-
Suppliers that have completed EcoVadis assessment	42%		43.4%		39.7%					_		
(% of global spend)	72 /0		73.7 /0	-	37.1%	-		_	_	-	-	-
Suppliers that have completed CDP disclosure	38.4%	-	35.8%	-	32.4%	-	-	-	-	-	-	-
(% of global spend)												
Spend with qualified small or diverse suppliers in the United States (9	% of U.S. spend) 9.2%	8.3%	10.2%	-	9.1%	-	8.2%	-	-	-	-	-
Community impact												
Number of volunteer hours	220,000+	-	184,000+	-	156,000+	-	113,000	-	53,100	-	70,000+	-
Employees who participated in volunteer activities (%)	79%	-	89%	-	87%	-	78%	-	45%	-	<b>58</b> %	
Number of people reached with WASH solution (millions)	3.6	3.8	-	-	2.4	-	1.8	-	3.5	-	0.64	
Number of people reached with Xylem's water education programs (millions)	2.1	3.3	-	-	1.7	-	1.4	-	3.6	-	0.32	-
Number of areas provided with humanitarian aid	43	30	_	-	30	_	23	_	17	_	11	-
	10				50	-	20		4.8		11	

## **Reporting frameworks**

### **GRI Content Index**



CONTENT INDEX ESSENTIALS WITH REFERENCE OPTION

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#### Statement of use:

Xylem Inc. has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024 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.

General disclosures	
GRI 2: General disclosures 2021	
2-1 Organizational details	About Xylem – pages <u>6–7</u> <u>2024 Form 10-K</u> : Item 1. Business – pages 5–16; Item 2. Properties – page 32
2-2 Entities included in the organization's sustainability reporting	About this report – page $\underline{3}$ Accounting principles – page $\underline{83}$
2-3 Reporting period, frequency, and contact point	About this report – page <u>3</u> Contact: <u>xylem.sustainability@xylem.com</u>
2-4 Restatements of information	No restatements were made for this reporting period.
2-5 External assurance	LRQA Independent Assurance Statement – pages <u>94–95</u>
2-6 Activities, value chain, and other business relationships	About Xylem – pages <u>6–7</u> Responsible sourcing – pages <u>63–66</u> <u>2024 Form 10-K</u> : Item 1. Business – pages 5–16
2-7 Employees	Our people – pages <u>48–59</u> <u>2024 Form 10-K</u> : Item 1. Business – pages 5–16
2-8 Workers who are not employees	Health and safety: Contractor safety management – page <u>62</u> <u>Human Rights Statement</u> <u>Statement on Efforts to Combat Modern Slavery</u>
2-9 Governance structure and composition	Sustainability governance – pages <u>22–23</u> <u>2025 Proxy Statement</u> : Role of the Board – pages 26–29; Director independence – page 34; Board composition and refreshment – pages 34–36
2-10 Nomination and selection of the highest governance body	<u>2025 Proxy Statement</u> : Election of directors – pages 8–18; Board effectiveness – page 33; Board composition and refreshment – pages 34–
2-11 Chair of the highest governance body	2025 Proxy Statement: Board leadership structure – page 32
2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability governance – pages <u>22–23</u> <u>2025 Proxy Statement</u> : Role of the Board: Oversight of strategy – page 26; Board committees – pages 38–41; Commitment to sustainability – pages 43–46
2-13 Delegation of responsibility for managing impacts	Sustainability governance – pages <u>22–23</u> <u>2025 Proxy Statement</u> : Board committees – pages 38–41; Commitment to sustainability – pages 43–46
2-14 Role of the highest governance body in sustainability reporting	Sustainability governance – pages <u>22–23</u> <u>2025 Proxy Statement</u> : Board committees – pages 38–41; Commitment to sustainability – pages 43–46
2-15 Conflicts of interest	Ethics and compliance: Conflict of interest – page <u>78</u> <u>2025 Proxy Statement</u> : Corporate governance policies: Related party transactions page 31
2-16 Communication of critical concerns	Ethics and compliance: Reporting mechanisms – page <u>78</u> <u>2025 Proxy Statement</u> : Communicating with the Board of Directors – page 43 <u>Code of Conduct</u> – pages 8, 10–12, 31 <u>Business Partner and Supply Partner Code of Conduct</u> – page 13 <u>Human Rights Statement</u> : Grievance mechanisms and remediation – pages 4–5 <u>Integrity Line</u>
2-17 Collective knowledge of the highest governance body	2025 Proxy Statement: Election of directors – pages 8–18
2-18 Evaluation of the performance of the highest governance body	2025 Proxy Statement: Board effectiveness – page 33
2-19 Remuneration policies	<u>2025 Proxy Statement</u> : Director compensation – pages 49–51; Executive compensation – pages 52–77
2-20 Process to determine remuneration	<u>2025 Proxy Statement</u> : Shareholder engagement program – pages 41–43; Director compensation – pages 49–51; Executive compensation – pages 52–77
2-21 Annual total compensation ratio	2025 Proxy Statement: CEO pay ratio – page 75
2-22 Statement on sustainable development strategy	Advancing sustainability: A call to action – page <u>4</u>
2-23 Policy commitments	Xylem policies
2-24 Embedding policy commitments	Sustainability governance – page <u>22</u> Responsible business conduct – pages <u>76–81</u> <u>Code of Conduct</u> <u>Business Partner and Supply Partner Code of Conduct</u>
2-25 Processes to remediate negative impacts	Sustainability governance: Risk management oversight – page <u>24</u> <u>2025 Proxy Statement</u> : Oversight of risk – pages 26–28; Oversight of cybersecurity – page 28 Human rights – page <u>47</u> Responsible sourcing – pages <u>63–66</u> Responsible business conduct – pages <u>76–81</u> <u>Code of Conduct</u> <u>Business Partner and Supply Partner Code of Conduct</u>

GRI Standard / Other source	Response / location	
General disclosures – continued		
2-26 Mechanisms for seeking advice and raising concerns	Ethics and compliance: Reporting mecha <u>Code of Conduct</u> – pages 8, 10–12, 31 <u>Business Partner and Supply Partner Co</u> <u>Human Rights Statement</u> : Grievance me <u>Integrity Line</u>	
2-27 Compliance with laws and regulations	Responsible business conduct – pages 2024 Form 10-K: Note 20. Commitments	
2-28 Membership associations		s – page <u>28</u> es with, or provides funding beyond routine ns and advocacy organizations.These are
	Industry	<ul> <li>Stockholm International Water</li> </ul>
	<ul> <li>American Water Works Association</li> <li>American Biogas Association</li> <li>Alliance for Energy Savings (EU-ASE)</li> <li>Association of Metropolitan Water Agencies</li> <li>Australian Water Association</li> <li>Aqua</li> <li>Europump</li> <li>European Biogas Association</li> <li>European Water Association</li> <li>Hydraulic Institute</li> <li>International Society of Sustainability Professionals</li> <li>International Water Association</li> <li>National Association of Clean Water Agencies</li> <li>Rural Community Assistance Partnership</li> </ul>	<ul> <li>Institute</li> <li>Water and Wastewater Equipment Manufacturers Association</li> <li>Water Environment Federation</li> <li>Water Europe</li> <li>Water Environment Federation</li> <li>WateReuse Association</li> <li>Social, Governance and Ethics</li> <li>Business Roundtable</li> <li>HRC Foundation</li> <li>Smart Water Networks Forum</li> <li>Society of Corporate Compliance and Ethics</li> <li>U.S India Business Council</li> <li>United States Water Alliance</li> <li>Water Research Foundation</li> <li>World Economic Forum</li> </ul>
2-29 Approach to stakeholder engagement	Sustainability governance: Double mater 2024 Form 10-K: Sustainability – pages	· · · - <u> </u>
2-30 Collective bargaining agreements	Our people: Employee representation – p <u>2024 Form 10-K</u> : Human capital: Labor re	

#### **Material topics**

GRI 3: Material topics 2021	
3-1 Process to determine material topics	Sustainability governance: Double materiality assessment exercise – page 2
3-2 List of material topics	In early 2024, we completed our double materiality assessment in
	preparation for European Corporate Sustainability Reporting Directive (CSRD
	requirements. Unlike our previous materiality assessments, which primarily
	identified topics of interest to stakeholders and informed our voluntary
	reporting, CSRD, once applicable, would require the consideration of how
	Xylem impacts both people and the planet, as well as how sustainability
	issues affect the company's financial performance.
	While we have made significant strides in preparing for the CSRD
	requirements, further progress is needed. As such, the disclosures in this
	year's report primarily reflect Xylem's prior materiality assessments, rather
	than the results of our 2024 double materiality assessment.

#### Indirect economic impacts

GRI 3: Material topics 2021	
3-3 Management of material topics	We are reviewing the results of our 2024 double materiality assessment in the context of recent regulatory developments. This evaluation will guide updates to our reporting on internal management practices concerning material topics going forward.
GRI 203: Indirect economic impacts 2016	
203-2 Significant indirect economic impacts	Driving community impact – pages <u>67–75</u>

#### **Procurement practices**

GRI 3: Material topics 2021	
3-3 Management of material topics	We are reviewing the results of our 2024 double materiality assessment in the context of recent regulatory developments. This evaluation will guide updates to our reporting on internal management practices concerning material topics going forward.
GRI 204: Procurement practices 2016	
204-1 Proportion of spending on local suppliers	Responsible sourcing – pages <u>63–66</u>

#### GRI Content Index – continued

GRI Standard / Other source	Response / location
Anti-corruption	
GRI 3: Material topics 2021	
3-3 Management of material topics	We are reviewing the results of our 2024 double materiality assessment in the context of recent regulatory developments. This evaluation will guide updates to our reporting on internal management practices concerning material topics going forward.
GRI 205: Anti-corruption 2016	
205-1 Operations assessed for risks related to corruption	Sustainability governance: Risk management oversight – page <u>24</u> Ethics and compliance – pages <u>77–78</u> <u>2024 Form 10-K</u> : Item 1A. Risk factors: Risks related to legal and regulatory – pages 27–29
205-2 Communication and training about anti-corruption policies and procedures	Ethics and compliance – pages 77–78
205-3 Confirmed incidents of corruption and actions taken	No material incidents of such activity were confirmed in 2024.

#### Anti-competitive behavior

GRI 3: Material topics 2021	
3-3 Management of material topics	We are reviewing the results of our 2024 double materiality assessment in the context of recent regulatory developments. This evaluation will guide updates to our reporting on internal management practices concerning material topics going forward.
GRI 206: Anti-competitive behavior 2016	
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No material incidents of such activity were confirmed in 2024.
Materials	

GRI 3: Material topics 2021	
3-3 Management of material topics	We are reviewing the results of our 2024 double materiality assessment in the context of recent regulatory developments. This evaluation will guide updates to our reporting on internal management practices concerning material topics going forward.
GRI 301: Materials 2016	
301-3 Reclaimed products and their packaging materials	Resource use and circular economy – pages <u>38–41</u>
	Resource use and circular economy – pages <u>36–41</u>

#### Energy

#### GRI 3: Material topics 2021

3-3 Management of material topics

We are reviewing the results of our 2024 double materiality assessment in the context of recent regulatory developments. This evaluation will guide updates to our reporting on internal management practices concerning material topics going forward.

GRI Standard / Other source	Response / location
Emissions	
GRI 3: Material topics 2021	
3-3 Management of material topics	We are reviewing the results of our 2024 double materiality assessment in the context of recent regulatory developments. This evaluation will guide updates to our reporting on internal management practices concerning material topics going forward.
GRI 305: Emissions 2016	
305-1 Direct (Scope 1) GHG emissions	Energy efficiency and emissions reduction – pages <u>33–37</u>
305-2 Energy indirect (Scope 2) GHG emissions	Energy efficiency and emissions reduction – pages <u>33–37</u>
305-3 Other indirect (Scope 3) GHG emissions	Energy efficiency and emissions reduction – pages $33-37$
305-4 GHG emissions intensity	Energy efficiency and emissions reduction – pages $33-37$
305-5 Reduction of GHG emissions	Energy efficiency and emissions reduction – pages <u>33–37</u> Climate Action Plan
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	Energy efficiency and emissions reduction – pages <u>33–37</u>

#### Waste

GRI 3: Material topics 2021	
3-3 Management of material topics	We are reviewing the results of our 2024 double materiality assessment in the context of recent regulatory developments. This evaluation will guide updates to our reporting on internal management practices concerning material topics going forward.
GRI 306: Waste 2020	
306-1 Waste generation and significant waste-related impacts	Resource use and circular economy: Waste management – pages $39-40$
	<u>2024 Form 10-K</u> : Governmental regulations: Environmental regulations – pages 12–13
306-2 Management of significant waste-related impacts	Resource use and circular economy: Waste management – pages <u>39–40</u>
	<u>2024 Form 10-K</u> : Governmental regulations: Environmental regulations – pages 12–13
306-3 Waste generated	Resource use and circular economy: Waste management – pages <u>39–40</u>
306-4 Waste diverted from disposal	Resource use and circular economy: Waste management – pages <u>39–40</u>
306-5 Waste directed to disposal	Resource use and circular economy: Waste management – pages <u>39–40</u>

#### GRI 302: Energy 2016 302-1 Energy consumption within the

302-1 Energy consumption within the organization	Energy efficiency and emissions reduction – pages <u>33–37</u> <u>Climate Action Plan</u>
302-3 Energy intensity	Energy efficiency and emissions reduction – pages <u>33–37</u> <u>Climate Action Plan</u>
302-4 Reduction of energy consumption	Energy efficiency and emissions reduction – pages <u>33–37</u> <u>Climate Action Plan</u>
302-5 Reductions in energy requirements of products and services	Energy efficiency and emissions reduction – pages <u>33–37</u> <u>Climate Action Plan</u>

#### Water and effluents

GRI 3: Material topics 2021	
3-3 Management of material topics	We are reviewing the results of our 2024 double materiality assessment in the context of recent regulatory developments. This evaluation will guide updates to our reporting on internal management practices concerning material topics going forward.
GRI 303: Water and effluents 2018	
303-1 Interactions with water as a shared resource	Water management – page <u>32</u> Biodiversity – page <u>42</u>
303-2 Management of water discharge- related impacts	Water management – page <u>32</u> Resource use and circular economy – pages <u>38–39</u> , <u>41</u>
303-4 Water discharge	Water management – page <u>32</u> Resource use and circular economy – pages <u>38–39</u> , <u>41</u>
303-5 Water consumption	Water management – page <u>32</u> Resource use and circular economy – pages <u>38–39</u> , <u>41</u>

#### Supplier environmental assessment

GRI 3: Material topics 2021	
3-3 Management of material topics	We are reviewing the results of our 2024 double materiality assessment in the context of recent regulatory developments. This evaluation will guide updates to our reporting on internal management practices concerning material topics going forward.
GRI 308: Supplier environmental assessme	nt 2016
308-1 New suppliers that were screened using environmental criteria	Responsible sourcing: Supplier audits and risk management – pages 63–64; Supplier on-site audits – page 65

#### GRI Content Index – continued

GRI Standard / Other source	Response / location
Employment	
GRI 3: Material topics 2021	
3-3 Management of material topics	We are reviewing the results of our 2024 double materiality assessment in the context of recent regulatory developments. This evaluation will guide updates to our reporting on internal management practices concerning material topics going forward.
GRI 401: Employment 2016	
401-1 New employee hires and employee turnover	Voluntary employee turnover rate in 2024: 7%
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 20 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, 2024 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	Our people: Flexible working arrangements – page <u>53</u>

#### Labor/management relations

GRI 3: Material topics 2021	
3-3 Management of material topics	We are reviewing the results of our 2024 double materiality assessment in the context of recent regulatory developments. This evaluation will guide updates to our reporting on internal management practices concerning material topics going forward.

#### GRI 402: Labor/management relations 2016

402-1 Minimum notice periods regarding operational changes

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:

Mergers or splitting of companies or production facilities
Relocation of companies, production facilities (or significant parts thereof), and relocation of production
Cutback or closure of companies, production facilities

(or significant parts thereof),

• Collective redundancies.

and

Under the European Works Council, additional information and consultation applies to the following matters:

- 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

GRI Standard / Other source	Response / location
Training and education	
GRI 3: Material topics 2021	
3-3 Management of material topics	We are reviewing the results of our 2024 double materiality assessment in the context of recent regulatory developments. This evaluation will guide updates to our reporting on internal management practices concerning material topics going forward.
GRI 404: Training and education 2016	
404-1 Average hours of training per year per employee	Our people: Performance, learning, and development – Learning – page <u>49</u>
404-2 Programs for upgrading employee skills and transition assistance programs	Our people: Building a strong talent pipeline – pages <u>49–50</u> ; Building an inclusive workforce – pages <u>56–58</u>

#### **Diversity and equal opportunity**

GRI 3: Material topics 2021	
3-3 Management of material topics	We are reviewing the results of our 2024 double materiality assessment in the context of recent regulatory developments. This evaluation will guide updates to our reporting on internal management practices concerning material topics going forward.
GRI 405: Diversity and equal opportunity 2	016
405-1 Diversity of governance bodies	Sustainability governance: Board selection – page 23

#### Supplier social assessment

and employees

GRI 3: Material topics 2021	
3-3 Management of material topics	We are reviewing the results of our 2024 double materiality assessment in the context of recent regulatory developments. This evaluation will guide updates to our reporting on internal management practices concerning material topics going forward.
GRI 414: Supplier social assessment 2016	
414-1 New suppliers that were screened using social criteria	Human rights: Human rights in our supply chain – page <u>47</u> Responsible sourcing: Supplier assessment framework – page 63

#### **Customer health and safety**

#### GRI 3: Material topics 2021

3-3 Management of material topics

We are reviewing the results of our 2024 double materiality assessment in the context of recent regulatory developments. This evaluation will guide updates to our reporting on internal management practices concerning material topics going forward.

Our people: Inclusion and belonging – Our people in numbers – page  $\underline{55}$ 

#### GRI 416: Customer health and safety 2016

- compliance matters,Investment priorities in the business,
  - Introduction of new working and production procedures.

416-1 Assessment of the health and safety impacts of products and services Product safety – page <u>45</u>

416-2 Incidents of noncompliance concerning the health and safety impacts of products and services

Product safety – page <u>45</u>

#### Occupational health and safety

# GRI 3: Material topics 2021 3-3 Management of material topics We are reviewing the results of our 2024 double materiality assessment in the context of recent regulatory developments. This evaluation will guide updates to our reporting on internal management practices concerning material topics going forward.

GRI 403: Occupational health and safety 2018	
403-1 Occupational health and safety management system	Health and safety – pages <u>60–62</u>
403-2 Hazard identification, risk assessment and incident investigation	Health and safety – pages <u>60–62</u>
403-3 Occupational health services	Health and safety – pages <u>60–62</u> Our people: Well-being benefits – pages <u>51–53</u>
403-4 Worker participation, consultation, and communication on occupational health and safety	Health and safety: Operational health and safety framework – pages $60-61$
403-5 Worker training on occupational health and safety	Health and safety: Health and safety training – page <u>60</u>
403-6 Promotion of worker health	Health and safety – pages <u>60–62</u> Our people: Well-being benefits – pages <u>51–53</u>
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and safety: Contractor safety management – page <u>62</u> Product safety – page <u>45</u>
403-9 Work-related injuries	Health and safety: Safety performance – page <u>62</u>

#### SASB

#### Company-specific disclosures

Strategic partn	erships	
SASB IF WU	440a.3 Discussion of strategies to manage risks associated with the quality and availability of water	Advancing sustainability through collective action – pages <u>27–28</u> Driving community impact – pages <u>67–75</u> Political engagement – page <u>81</u>
Climate change	3	
SASB IF WU	450a.4 Description of efforts to identify and manage risks and opportunities related to the impact of climate change	Impact on the environment – pages <u>30–45</u> <u>Climate Action Plan</u>
Connected pro	ducts (e.g., data security, privacy, and	intellectual property protection)
SASB IF WU	TC0401 15 Number of patent litigation cases, number successful, and number as patent holder	Intellectual property – page <u>80</u>
Company- specific disclosure	Number of patents and/or trademarks filed/pending/ awarded/rejected	Intellectual property – page <u>80</u>
Innovation and	digitization	
SASB IF WU	420a.2 Customer water savings from efficiency measures, by market	Product sustainability – pages <u>43–45</u>

#### Additional SASB metrics

SASB Index – Industrial machinery & goods – Accounting metrics

Торіс	SASB code	Accounting metric	Category	Unit of measure	2023 response
Energy management	RT-IG-130a.1	<ul><li>(1) Total energy consumption</li><li>(2) Percentage grid electricity</li><li>(3) Percentage renewable energy</li></ul>	Quantitative	Gigajoules (GJ)	(1) 1,864,179 (2) 37% (3) 30%
Employee health & safety	RT-IG-320a.1	<ol> <li>(1) Total recordable incident rate (TRIR)</li> <li>(2) Fatality rate</li> <li>(3) Near miss frequency rate</li> </ol>	Quantitative	Percentage (%) Rate	<ul><li>(1) 0.52</li><li>(2) 0</li><li>(3) Not available due to system change</li></ul>
Materials sourcing	RT-IG-440a.1	Description of the management of risks associated with the use of critical materials	Discussion and analysis	n/a	Responsible sourcing: Conflict minerals management – page <u>65</u> <u>Conflict Minerals</u> <u>Policy Statement</u>

### World Economic Forum – Sustainable value creation core metrics and disclosures

Principles	Core metrics and disclosures	Sources
Governance Governing	Setting purpose	GRI 2-12
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	<b>Governance body composition</b> 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 <u>2025 Proxy</u> <u>Statement</u>
Stakeholder engagement	<b>Material issues impacting stakeholders</b> 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	<ul> <li>Anti-corruption</li> <li>1. Total percentage of employees who have received training on the organization's anti-corruption policies and procedures</li> <li>2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.</li> </ul>	GRI 205-2 GRI 205-3 <u>Code of Conduct</u>
	<ul> <li>Protected ethics advice and reporting mechanisms</li> <li>A description of internal and external mechanisms for:</li> <li>1. Seeking advice about ethical and lawful behavior and organizational integrity; and</li> <li>2. Reporting concerns about unethical or unlawful behavior and lack of organizational integrity.</li> </ul>	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.	<u>2025 Form 10-K</u> : Item 1A. Risk factors <u>Climate Action Plan</u>
Planet		
Climate change	<b>Greenhouse gas (GHG) emissions</b> For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tons of carbon dioxide equivalent (tCO <sub>2</sub> e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	GRI 305:1-3
	<b>TCFD implementation</b> 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 305-3 <u>Climate Action Plan</u>
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	<b>Diversity and inclusion (%)</b> Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).	GRI 405-1b
	<b>Wage level (%)</b> Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.	GRI 2-21 2025 Proxy Statement
	<b>Risks for incidents of child, forced or compulsory labor</b> An explanation of the operations and suppliers considered to have significant risk for incidents of child labor, forced or compulsory labor.	GRI 408-1b GRI 409-1 <u>Statement on Efforts</u> to Combat Modern <u>Slavery</u>
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	<b>Training provided (#)</b> 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	<ul><li>Absolute number and rate of employment</li><li>1. Total number and rate of new employee hires during the reporting period.</li><li>2. Total number and rate of employee turnover during the reporting period.</li></ul>	GRI 401-1A&B
	<ul> <li>Economic contribution</li> <li>Direct economic value generated and distributed (EVG&amp;D), on an accruals basis, covering the basic components for the organization's global operations, ideally split out by:</li> <li>Revenues</li> <li>Operating costs</li> </ul>	U.S. GAAP <u>2024 Form 10-K</u> : Item 7. Management's discussion and analysis of financial condition and results – Results of operations.
	<ul> <li>Financial investment contribution</li> <li>1. Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy.</li> <li>2. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.</li> </ul>	2024 Form 10-K: Item 7. Management's discussion and analysis of financial condition and results – Results of operations.
Innovation of better products and services	<b>Total R&amp;D expenses (\$)</b> Total costs related to research and development.	2024 Form 10-K: Item 7. Management's discussion and analysis of financial condition and results – Results of operations.

#### **United Nations Global Compact Principles**

Human rights	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	Human rights   <u>Statement on Efforts to Combat Modern Slavery</u>   <u>Human Rights Statement   Code of Conduct   Business</u> Partner and Supply Partner Code of Conduct
Principle 2: make sure that they are not complicit in human rights abuses.	Human rights   <u>Statement on Efforts to Combat Modern Slavery</u>   <u>Human Rights Statement</u>   <u>Code of Conduct</u>   <u>Business</u> Partner and Supply 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   <u>Statement on Efforts to Combat Modern Slavery</u>   <u>Human Rights Statement</u>   <u>Code of Conduct</u>   <u>Business Partner</u> and Supply Partner Code of Conduct
Principle 5: the effective abolition of child labor; and	Human rights   <u>Statement on Efforts to Combat Modern Slavery</u>   <u>Human Rights Statement</u>
Principle 6: the elimination of discrimination in respect of employment and occupation.	Human rights   Talent management   Inclusion and belonging   <u>Code of Conduct</u>   <u>Business Partner and Supply Partner Code of</u> <u>Conduct</u>
Environment	
Principle 7: Businesses should support a precautionary approach to environmental challenges; and	Sustainability at Xylem   Impact on the environment   <u>Climate Action Plan</u>
Principle 8: undertake initiatives to promote greater environmental responsibility;	About Xylem   Sustainability at Xylem   Impact on the environment   Innovation   Political engagement   <u>Climate Action Plan</u>
Principle 9: encourage the development and diffusion of environmentally friendly technologies.	About Xylem   Sustainability at Xylem   Product sustainability   Innovation
Anti-corruption	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Ethics and Compliance   <u>Code of Conduct</u>   <u>Business Partner and</u> Supply Partner Code of Conduct



### LRQA Independent Assurance Statement

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#### LRQA Independent Assurance Statement

Relating to Xylem, Inc. Environmental and Safety Metrics for Calendar Year 2024

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 Inventory, Water Withdrawn Inventory, Waste Inventory and Injury & Illness metrics ("the Report") for the Calendar Year 2024 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 data<sup>1</sup>.
- 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: Category 1 Purchased Goods and Services, Category 2 Capital Goods, Category 3 Fuel and Energy Related Activities, Category 4 Upstream Transportation and Distribution, Category 5 Waste Generated in Operations, Category 6 Business Travel, Category 7 Employee Commuting, and Category 9 Downstream Transportation and Distribution;
  - Energy use;
  - Water Withdrawn inventory (including surface water, groundwater and third-party water);
  - · Waste Generated inventory (including hazardous and non-hazardous wastes); and
  - Injury and Illness metrics: Total Recordable Rate, Days Away from Work Rate and Severity Rate.

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.

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 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.

<sup>1</sup> http://www.ghgprotocol.org/

#### 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 assurance<sup>2</sup> and at the materiality of the professional judgement of the verifier.

#### Table 1. Summary of Xylem Key Data for Calendar Year 2024:

	Scope of GHG emissions
Scope 1 GHO	emissions
Scope 2 GH	emissions (Location-based) <sup>1</sup>
Scope 2 GH	emissions (Market-based) <sup>1</sup>
	Scope of Energy Use
Total Energy	Use (direct and indirect)
	Scope of Water Withdrawn Inventory
Global Wate provided wa	r Use (surface water, ground water and third party ter)
	Scope of Waste Generated Inventory
Global Wast	e Generated (hazardous and non-hazardous)
	Scope of Injury and Illness Metrics
Injury or Illn hours/work	ess Rate (recordable injury illness cases*200,000 hours)
,	
Days Away f hours/work	rom Work Rate (days away from work cases*200,000 hours
hours/work	

	Tonnes CO <sub>2</sub> e
	73,943
	52,005
	17,516
	Megawatt hours
	517,829
	Megalitres
	2,480
	Tonnes
	51,507
	Per 200,000 work hours (100 employees)
	0.52
	0.34
	12.70
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otocol Scope 2 Guidance, 2015

than for a reasonable assurance engagement. Limited cking source data at sites. Consequently, the level of urance that would have been obtained had a reasonable

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#### Table 2. Summary of Xylem Scope 3 GHG Emissions for Calendar Year 2024

Scope of GHG emissions Metric Tons CO.e	Tonnes CO <sub>2</sub> e
Scope 3 GHG emissions Category 1: Purchased Goods and Services <sup>1</sup>	847,077
Scope 3 GHG emissions Category 2: Capital Goods	11,731
Scope 3 GHG emissions Category 3: Fuel and Energy Related Activities	30,568
Scope 3 GHG emissions Category 4: Upstream Transportation and Distribution	190,755
Scope 3 GHG emissions Category 5: Waste Generated in Operations <sup>2</sup>	39,615
Scope 3 GHG emissions Category 6: Business Travel <sup>3</sup>	23,074
Scope 3 GHG emissions Category 7: Employee Commuting	48,277
Scope 3 GHG emissions Category 9: Downstream Transportation and Distribution	82,647
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 wastew 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 h	

#### 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 assurance engagement:

- · reviewing 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, energy use, water withdrawn, waste generated, and injury and illness rates;
- interviewing relevant staff responsible for managing and maintaining data and information and for preparing the Report at the corporate level;
- reviewing Xylem's procedure for defining and collecting Scope 1, Scope 2, Scope 3 GHG emissions, energy use, water withdrawn, waste generated data, and injury and illness data;
- verifying historical Scope 1, Scope 2 and Scope 3 GHG emissions, energy use, water withdrawn, waste generated, and injury and illness data and records at an aggregated level for CY 2024 and reviewing information calculation spreadsheets:
- verifying Scope 2 renewable energy credits (RECs) and renewable energy use through review of the REC certificates invoices and verification of the emission calculations; and
- confirming Xylem's base year and recalculation policy are in accordance with the GHG Protocol. Xylem's base year is 2023.

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#### 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 Annum Premit

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

LRQA reference: UQA0001726

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Dated: April 11, 2025



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