

Our success is built on a diverse, global workforce that is driven by purpose and committed to sustainability.

Developing and implementing policies and programs that promote inclusive and diverse hiring, professional development opportunities, comprehensive benefits, and fair compensation is key when aiming to attract, develop, and retain talent.

We attract the next generation of diverse water leaders by developing inclusive and equitable hiring programs targeting future leaders in high school, college, and graduate school, while also attracting talent of all career levels through our Veteran and fair chance hiring programs.

Our new and strengthened programs and policies that span the employee life-cycle are highlighted on page 41 of our 2023 Sustainability Report.



## High-Impact Culture

The strengths and opportunities of our combined organization allowed us to focus on three key behaviors that guide our High-Impact Culture. These behaviors will help us improve employee engagement, speed, and decision-making as they become visible in our daily actions and practices, including the successes we celebrate, the results we reward, and the way we work as a team, to name a few.



### Inspired to Innovate

Gaining experience to create high-impact solutions, sharing information, and leveraging the expertise of others inside and outside Xylem to continuously learn and develop.



### Empowered to Lead

Trusting others and knowing when to step up and lead and when to follow. It's also about actively supporting others to connect and prioritize our actions with our strategy, celebrating individual and team performance, and making decisions based on diverse perspectives.



### Accountable to Deliver

meeting our commitments to our customers, communities, and colleagues and helping them solve their biggest water challenges.



**Rachel Darcangelo**

Vice President, Global Leadership, Talent, and Culture

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

## Developing a talent pipeline

A broad range of talent development programs support professional growth and leadership development, advance internal talent mobility, and support our succession plans across our business:



### Development of high-potential talent and experienced managers

More than 260 employees participated in the Intentional Leadership Program for frontline leaders focused on the development of foundational leadership skills. Another 45 high-potential colleagues participated in Emerging Leaders cohorts across our Supply Chain Leadership, Innovation and Technology Leadership, and Strategy Fellowship.



### Early career development

About 80 recent college graduates participate in our rotational programs across Finance, Operations, Engineering, and Commercial teams. Over two years in key roles related to Xylem's strategy they build functional knowledge, gain experience across the business, and engage in opportunities for networking and career development.



### Xylem's Innovation Champions Program

Through the Xylem Innovation Champions Program, employees mentor leaders in the Xylem Innovation Labs accelerator.



### Social impact leadership opportunities

Xylem Watermark engages a network of over 500 colleagues leading our social impact endeavors around the world.

## 2025 Sustainability Goals for the Workplace

Following the acquisition of Evoqua, we adjusted our “women in leadership” goal from 35% to 29% women in leadership positions <sup>1</sup> by 2025 and from 50% to 35% by 2030. Similarly, our “minority in leadership” goal now aims for 21% representation in U.S. leadership roles by 2025 compared to the previous 25%, with the target of reaching 25% by 2030.

Challenges in achieving these goals stem from turnover, the availability and attraction of diverse talent in the sector, and lower diversity in legacy Evoqua leadership. These adjustments were informed by McKinsey research <sup>2</sup>, which indicated that Xylem meets or exceeds industry benchmarks for women in leadership.

### Pay Equity

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

In 2023, we conducted a gender pay equity analysis across all countries for 83% of employees, as well as a race and ethnicity pay equity analysis for 87% of employees in the United States.

**83%**  
of global gender pay equity assessments completed

<sup>1</sup> “Leadership positions” are defined by an internal salary band structure that reflects executive and critical leadership positions.

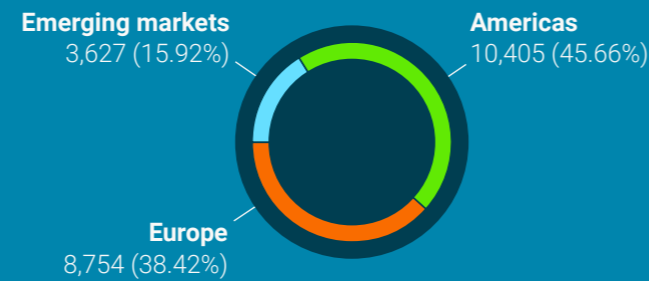
<sup>2</sup> [McKinsey Women in the Workplace 2023 report](#)

More details can be found on p. 40-50 of our [2023 Sustainability Report](#).

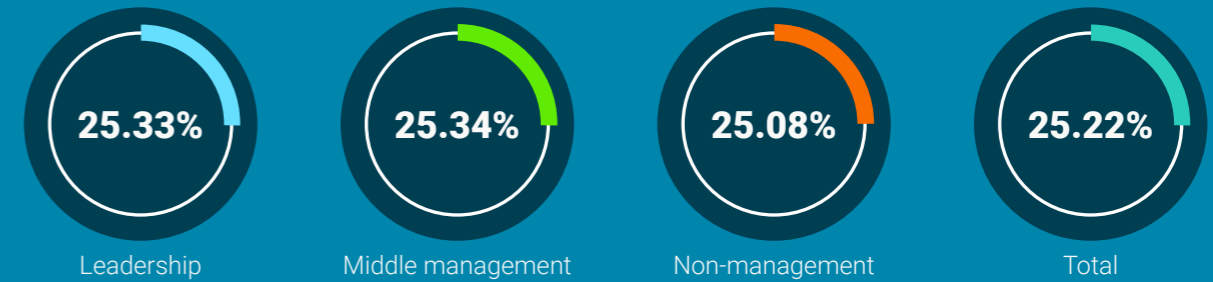


## 2023 DEI key figures

### Employees by geographical area



### Percentage of women representation by management level globally



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

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

### U.S. employees by age

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