

Xylem Inc. commits to American Business Act on Climate Pledge

Morton Grove, III. — (Dec. 3, 2015) – Xylem Inc., a leading global water technology company dedicated to solving the world's most challenging water issues, today announced that it has signed on to the American Business Act on Climate Pledge, joining more than 140 companies from across the U.S. economy that are standing with the Obama Administration to demonstrate an ongoing commitment to climate action and to voice support for a strong outcome to the COP21 Paris climate negotiations. Xylem Inc. is the parent company of the Bell & Gossett and McDonnell & Miller brands.

"The connection between climate and our shared water resources cannot be ignored. Earlier this year, the World Economic Forum's *Global Risks 2015* report identified water crises as the biggest threat to our planet," said Patrick Decker, Xylem President and CEO. "As a leader in the water technology industry, we view climate change as a vital opportunity to create value for all stakeholders and we are proud to join this important pledge. Through our energy efficient technologies that help mitigate the effects of climate change in water infrastructure, we help customers and partners around the globe to reduce emissions. We are also helping communities to adapt to climate change with solutions that increase resilience to droughts and floods, making them more water-secure. By promoting sustainable solutions, we will continue to meet our customers' needs while also advancing socially responsible business practices as a citizen of the global community."

As part of its ongoing work on sustainable practices, Xylem recently published its <u>Powering the Wastewater Renaissance</u> report, which concluded that nearly half of the electricity-related emissions in wastewater management can be abated at a negative or neutral cost with the use of proven, readily available technologies.

Xylem's American Business Act On Climate Pledge

We applaud the growing number of countries that have already set ambitious targets for climate action. In this context, we support the conclusion of a climate change agreement in Paris that takes a strong step forward toward a low-carbon, sustainable future.

We recognize that delaying action on climate change will be costly in economic and human terms, while accelerating the transition to a low-carbon economy will produce multiple benefits with regard to sustainable economic growth, public health, resilience to natural disasters, and the health of the global environment. We put forth our pledges as follows:

Climate change will exacerbate the water challenges that lie at the heart of Xylem's work. In response, we are developing mitigation and adaptation solutions that will improve the efficiency of the water sector and build resilience to the water-related challenges associated with climate change. We have also set ambitious operational targets for ourselves related to climate change. We pledge to do the following between now and 2020:

Our operations

Reduce greenhouse gas emissions intensity from Xylem facilities by 20% by 2020 compared to our 2014 baseline;

Reduce waste sent to landfill by 20% by 2020 compared to our 2014 baseline;

Reduce Xylem's water use by 25% by 2020 compared to our 2014 baseline;

Invest in energy-efficiency retrofits – such as energy-efficient equipment – for our manufacturing facilities.

Our products

Continue investments in R&D to develop water technologies that are energy-efficient, reliable and help customers build climate resilience;

Introduce new products such as highly-efficient water technologies, pumps, and treatment solutions that use less energy and reduce lifecycle costs, including integration of renewable energy into key water technologies;

Continue investing in development of low-cost water technologies for communities in developing economies.

Our stakeholder engagement

Develop and promote research focused on understanding how the water sector can support climate change monitoring, mitigation and adaptation;

Continue advocating for private sector action in curbing climate change through partnering with organizations such as the Stockholm International Water Institute, Carbon Disclosure Project, CERES, and the UN Global Compact.

About Xylem

Xylem (XYL) is a leading global water technology provider, enabling customers to transport, treat, test and efficiently use water in public utility, residential and commercial building services, industrial and agricultural settings. The company does business in more than 150 countries through a number of market-leading product brands, and its people bring broad applications expertise with a strong focus on finding local solutions to the world's most challenging water and wastewater problems. Xylem is headquartered in Rye Brook, New York, with 2014 revenues of \$3.9 billion and approximately 12,500 employees worldwide. Xylem was named to the Dow Jones Sustainability Index for the last three years for advancing sustainable business practices and solutions worldwide.

The name Xylem is derived from classical Greek and is the tissue that transports water in plants, highlighting the engineering efficiency of our water-centric business by linking it with the best water transportation of all — that which occurs in nature. For more information, please visit us at www.xylem.com.

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