

# 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 quality 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 Toussaint**  
Chief Sustainability Officer

